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DISENTANGLEMENT

Final Report of the Expert Panel on

Roads



OCTOBER 1992

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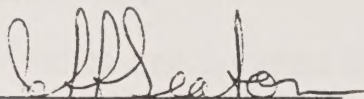
TO:

MEMBERS OF THE PROVINCIAL-MUNICIPAL DISENTANGLEMENT
STEERING COMMITTEE

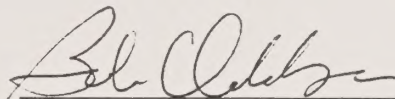
November 10, 1992

In April 1992, the Disentanglement Steering Committee established a Municipal Roads Expert Panel to provide recommendations on the Provincial Municipal relationship with respect to municipal roads.

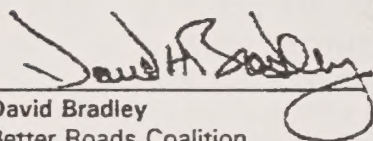
We, the members of the Municipal Roads Expert Panel are pleased to submit herewith our report including a range of options and suggestions with respect to the provincial - municipal road relationship.



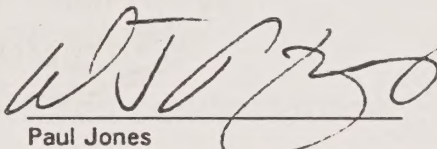
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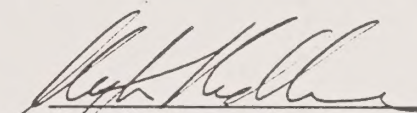
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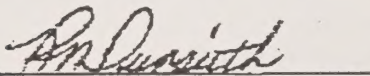
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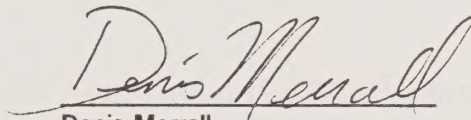
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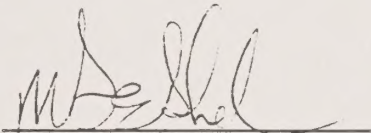
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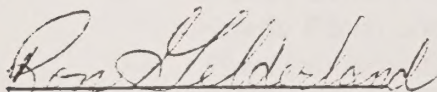
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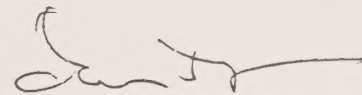
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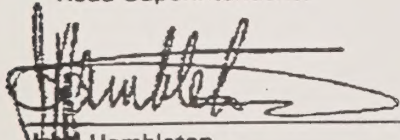
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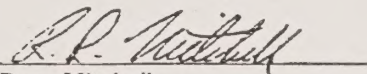
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AMO

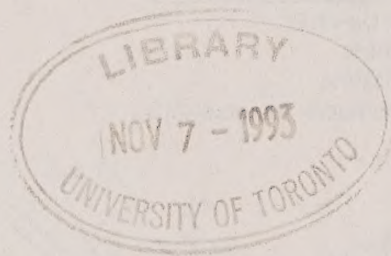



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EXECUTIVE SUMMARY

Introduction

This report presents the views and conclusions of an Expert Panel which considered the roles and responsibilities – current and future – of the Provincial Government and Municipal Governments in planning, building, managing and maintaining roads.

The work of the Expert Panel on Roads is part of, and key to, the Disentanglement process – a process in which the Province and Municipalities are participating to realign the roles they play in providing services to the public. The 13 members of the panel are from across Ontario; the panel includes representatives of the Province, Municipalities, labour and road users.

This report is submitted to the Disentanglement Steering Committee, which consists of six Ontario Cabinet Ministers and six elected Municipal representatives appointed by the Association of Municipalities of Ontario (AMO). The Steering Committee has adopted a principle of “fiscal neutrality” which means that neither the Province nor the Municipal sector should bear a greater share of financial responsibility as a result of Disentanglement. The two parties have also agreed that the Province should assume the Municipal share of the costs of general welfare allowances.

Roads have been identified by the Steering Committee as a program area where Municipalities may be able to take on more responsibility for decision-making and funding.

Options were given consideration by members of the panel in light of the panel's principles and its view of appropriate roles for each level of government; the outcome of a consultation process conducted by the Ontario Good Roads Association; and the objectives of disentanglement.

In evaluating the options, the panel also considered the potential impact on services, on the workforce, and on the resources of Municipalities and the Province. But the panel concluded that these matters require more extensive study before implementation of any change in the existing arrangements. Financial and workforce impact analysis and issues relating to implementation must be dealt with no matter what option the Steering Committee may choose to endorse.

Principles and Process

The panel developed the following 10 principles. These principles were used by the panel to assess 19 different options.

1. Ontario's road system makes a major contribution to the economy of the province and to the quality of life of the people who live here.
2. There is a shared Provincial-Municipal interest in a sound, integrated and accessible road system across Ontario.
3. There is a hierarchy of Provincial interest in roads based on their function or classification.
4. There is particular Municipal interest where there are local implications for planning, access, the economy and the environment.
5. The system must have consistent province-wide standards, suitable to the function or classification of the roads, for the safety and continuity of the road network as a whole.
6. Provincial leadership is appropriate for transportation planning for the province as a whole. Within the context of Provincial standards and planning guidelines, Municipalities should continue to plan and set policies for Municipal roads.
7. Access to the road system should not be limited by lack of local resources.
8. Adequate and ongoing investment is key to maintaining the integrity of the road system and its contribution to the economy. There should be fair financial participation by both the Province and Municipalities.
9. Financial participation by users and beneficiaries of the road system is appropriate.
10. Management of the road system should promote efficiency and effectiveness. Participation by the community and involvement of employees are important.

The panel members agreed on basic principles, but found that they had different perspectives on how the best interests of the road system, the public and the two levels of government can be achieved. There are four "perspectives" presented in this report: the Majority Perspective, which is preferred by the Municipal representatives, and the preferred options of the Provincial, Labour and User representatives. There is also discussion of two additional options.

The panel notes that the impact on the workforce from these options requires further study. The panel understands that the Workforce Impact Committee will review the options.

The Ministry of Transportation has made some preliminary estimates of the financial impact of the options, based on a sampling of Municipalities. The financial analysis and assumptions on which the calculations are based are included in an Appendix. These estimates have not been validated by the expert panel.

Majority Perspective

Enhanced Status Quo with Continuous Improvements

The fundamentals of the existing system, including a financial contribution by both levels of government to all municipal roads, should be retained. The efficiency and effectiveness of the current system of roads management should be enhanced on an ongoing basis through administrative streamlining, financial incentives and other improvements.

This option is preferred by representatives of these municipal organizations on the expert roads panel:

- Association of Municipalities of Ontario (AMO)
- Association of Ontario Road Superintendents (AORS)
- Municipal Engineers Association (MEA)
- Ontario Good Roads Association (OGRA)

The panel members who recommend the “continuous improvement” option argue that the existing relationship represents an appropriate sharing of responsibilities and costs based on the mutual interest of the Province and Municipalities in an integrated, accessible and adequately funded road system. The basics of the existing relationship and funding arrangements would be retained under this option, and within that context, significant improvements would be made in a continuous fashion over time.

The “continuous improvement” option is supported by all members of the panel as a management process – as a way to increase the efficiency and effectiveness of the current system. However, Provincial representatives on the panel argue that this option does not disentangle Provincial-Municipal roles and responsibilities. They also note that the financial implications are difficult to quantify. The labour representatives add that unions must be involved in planning and evaluation of the continuous improvement process and that it should not have adverse workforce impacts.

Provincial Perspective

Shared Interest in
Arterial Roads Only

The Province should provide conditional grants to Municipalities for arterial roads*, but no longer provide subsidies to Municipalities for construction or maintenance of collector or local roads.

* The definition of arterial road would include all upper-tier (County, Region and Metro) roads, major urban roads within cities, and rural roads which include the township lot and concession road system, excluding subdivision, seasonal and non-maintained roads.

This disentanglement option is preferred by the representatives of the Provincial Government on the expert roads panel. They include:

Ministry of Municipal Affairs

Ministry of Northern Development and Mines

Ministry of Transportation

Those who prefer this option argue that it advances the aims of disentanglement in a reasonable and workable fashion. It is a partial disentanglement, in that it removes the current contribution of the Province to collector and local roads and allows the Province to concentrate its financial contribution on the municipal roads in which it has the most interest. There would be a shared Provincial-Municipal interest and cost-sharing of arterial roads.

Municipal representatives do not support this option because it will mean the withdrawal of conditional grants for collector and local roads. They argue that the Province has an interest in maintaining the integrity of the entire road system. They are also concerned about the ability of smaller Municipalities to maintain their roads adequately without Provincial assistance; the potential for increased administrative complexity; a distortion of local planning and land use; and promotion of undesirable strip development. Labour representatives are concerned that this option will have a detrimental impact on the workforce.

Labour Perspective**Status Quo**

The existing Provincial-Municipal relationship and funding arrangements for roads should be maintained.

This option is the preferred choice of the labour representatives on the expert roads panel:

Ontario Public Service Employees Union (OPSEU)

Canadian Union of Public Employees (CUPE)

With this option, there would be no change in Provincial-Municipal cost-sharing and no transfer of funding responsibilities. The labour representatives support maintaining the existing relationship and funding model primarily because it will minimize disruption to the workforce. They have major concerns about workforce impacts from options which radically alter the way road expenditures are now managed and cost-shared.

Those not supporting this option argue that it does not provide the opportunity for positive change. It does not contribute to fiscal neutrality in the disentanglement process.

User Perspective**Full Provincial Assumption
of Arterial Roads**

The Province should assume full financial responsibility for all arterial roads* in Ontario, and no longer provide subsidies to Municipalities for construction or maintenance of collector or local roads.

* The definition of arterial road would include all upper-tier (County, Region and Metro) roads, major urban roads within cities, and rural roads which include the township lot and concession road system, excluding subdivision, seasonal and non-maintained roads.

This option is preferred by the representative of road users, from the Ontario Better Roads Coalition, on the expert panel.

Under this option, the Province would assume full management and funding responsibility for arterial roads, as defined, and withdraw from involvement in collector and local roads. Those who support this option argue that it accomplishes full disentanglement, giving each level of government distinct and separate roles in the roads system.

Those who do not support this option argue that it could add complexity to the system because the Province would become involved in the management of what are now municipal roads. Under this option, the Province would have to become involved in land use issues and local transportation matters – which would be another form of entanglement and source of potential friction. In addition, this option does not contribute to fiscal neutrality.

Additional Option: Variable Provincial Subsidy By Road Function

The Province should continue to provide subsidies for all Municipal roads, but the Provincial subsidies would vary according to the function of the road (arterial, collector or local).

The Municipal representatives on the roads panel were asked to indicate a secondary option. This option is not recommended by the Municipal panel members. It is put forward solely on the basis that Steering Committee may not accept the preferred Municipal option because of the need to identify trade-offs to meet the principle of fiscal neutrality.

This option does not result in disentanglement, but it proposes a rearrangement of the fiscal relationship between the Province and Municipalities based on road function, and contributes to fiscal neutrality.

Those not supporting this option are concerned that it could lead to substantially greater administrative complexity. It does not disentangle the Province from involvement in any municipal roads.

Additional Option: Highway Transfers

The Province would transfer approximately 1,800 kilometres of what are now provincial highways to the municipal road system.

The transfer would be made on the basis that these specific highways and associated connecting links are, in the view of the Ministry of Transportation, more appropriately under upper-tier Municipal management because they no longer serve a Provincial function. This option could be implemented in addition to other options on the table.

This option would directly affect upper-tier Municipalities. However, there would also be indirect consequences for lower-tier Municipalities in Eastern Ontario that are not part of the County road system.

This option has support from panel members except for the OPSEU representative. Municipal representatives have indicated that for this option to be acceptable to them, all costs associated with highway transfers to Municipalities must be identified and included in the agreement.

There are concerns about the logistics of implementation of this option, given the need to reflect the costs associated with the transfers. The OPSEU representative is particularly concerned about impact on workers.

Other Issues

The panel also put forward other issues for consideration by the Steering Committee. These issues could not be dealt with by the panel within its mandate and timeframe. They included:

Dedicated Revenues – Municipalities could receive a portion of road-related revenues collected by the Province.

Inter-Municipal Disentanglement – A single tier of Municipal government could assume responsibility for all municipal roads. The best method of delivery of municipal road services would be determined.

Implementation

The panel stressed that there is much work left to be done. Whatever decision is made by the Steering Committee, there will be implications for implementation. Those implications must be fully explored through a collaborative process, involving all the organizations represented on this panel, before implementation begins. Areas where further study and analysis are required include: impact on services; impact on the workforce; financial impact on individual Municipalities and the Province; and ease of implementation.

Whatever course the Steering Committee chooses to follow, it is essential that there be a thorough examination of potential implications, including unintended side effects. An implementation plan should be developed for any changes contemplated in the roles and responsibilities for the road system in Ontario. That implementation plan should provide assurances that proposed changes will not erect barriers to effective service delivery, sound decision-making or greater efficiency in the road system.

1 INTRODUCTION

This report presents the views and conclusions of an Expert Panel which considered the roles and responsibilities – current and future – of the Provincial Government and Municipal Governments in planning, building, managing and maintaining roads. The work of the Expert Panel on Roads is part of, and key to, the Disentanglement process – a process in which the Province and Municipalities are participating to realign the roles they play in providing services to the public.

1.1 DISENTANGLEMENT

It is vital for an understanding of this report to be aware of the objectives and principles of Disentanglement, which provide the broad context for the panel's analysis of Provincial-Municipal roles and responsibilities in the area of roads.

Objectives and Principles

The focus of Disentanglement – sorting out which level of government is best to do what – has been discussed for several years. A number of recent studies have commented that the overlap in responsibilities for delivery and funding is confusing and inefficient. The current Disentanglement process, designed to address these problems, got underway late in 1991.

The key objectives of the Disentanglement process are to:

- create better, simpler government;
- improve the effectiveness and efficiency of service to the public;
- clarify which level of government is responsible for what services;
- enhance each government's capacity to plan and set priorities;
- improve financial accountability and fiscal management;
- sustain a Provincial-Municipal relationship which is characterized by partnership and informed decision-making.

Leading the reform process is a 12-member Steering Committee, made up of six Ontario Cabinet Ministers and six elected Municipal representatives appointed by the Association of Municipalities of Ontario (AMO). The Steering Committee is co-chaired by Municipal Affairs Minister Dave Cooke and AMO Past President John Harrison.

The Steering Committee has developed some working principles that indicate the direction that Disentanglement is intended to take. Those working principles are that:

- Responsibility and authority for strategy, policy and standards should be determined by each government's interest.
- The proportion of funding should be related to each government's level of responsibility and authority.
- Neither the Province nor the Municipal Sector should bear a greater share of fiscal responsibility as a result of Disentanglement.
- Services aimed at redistributing income, e.g. social assistance allowances, should not be financed from current municipal revenue sources. *
- Decision-making for service delivery should be the responsibility of the level of government which fully finances a service.
- The process of Disentanglement should ensure ongoing participation, consultation and communication with our employees and communities affected by this reform.

The Expert Panels

The Steering Committee chose to take a practical, phased approach to deciding which level of government should be responsible for the design, delivery and funding of a whole range of different services and programs. It identified five areas for immediate study as Phase 1 of the process, and established expert panels to examine them.

* The wording of this principle is under review by the Steering Committee.

Five expert panels were established to examine the Provincial-Municipal relationship and provide analysis and advice in the following areas:

- roads;
- transit;
- property assessment services;
- municipal police services budgets;
- general welfare assistance.

Each panel was given the task of presenting its findings to the Steering Committee for its consideration.

The reports produced by these expert panels may also receive comment from two other Committees which are part of the Disentanglement process: the Coordinating Committee, made up of senior staff of the Province and Municipalities and the chair of the Workforce Impact Committee; and the Workforce Impact Committee, made up of public service union and management representatives.

The selection of programs for review by expert panels was influenced by two major factors.

The Province and Municipalities agreed, through the Disentanglement process, that there should be full Provincial financing of the general welfare allowances provided to recipients. Municipalities now pay 20 per cent of the costs of those allowances.

Since the Province would be assuming a considerably increased financial responsibility in welfare, the parties also agreed that the Disentanglement process should be fiscally neutral for both partners and their constituents. Fiscal neutrality means that neither the Province nor the Municipal sector should bear a greater share of financial responsibility as a result of Disentanglement.

Based on the principle of fiscal neutrality, if the Province takes over responsibility for funding welfare allowances, Municipalities would have to assume greater responsibility for funding in other areas. The areas which the Steering Committee has identified as having the greatest potential for increased Municipal responsibility for programs, funding and the renewal of the Provincial-Municipal relationship, are municipal roads, municipal transit and property assessment services. Both partners agreed to determine jointly any "trade-offs" in municipal programs.

1.2 THE ROADS PANEL

Terms of Reference and Membership

The terms of reference of the Expert Panel on Roads provided that the panel would focus on the existing regulatory environment and conditional grants for roads and offer comment on the validity of the current Provincial-Municipal relationship in terms of:

- the working principles guiding disentanglement;
- the transportation interests and needs of the road user, the Province and Municipalities; and
- the accountability and service achieved.

According to the terms of reference, the roads panel was to consider all options resulting from a thorough review and assessment of grant programs, what approaches should or should not be considered, how appropriate a proposed change would be, and whether changes in roles were appropriate and implementable.

The terms of reference provided that as well as representatives of the Province and Municipalities, other stakeholders, including road users, should be on the panel.

The Province and AMO each nominated representatives to the panel; Provincial members include representatives of the Ministry of Transportation , the Ministry of Municipal Affairs and the Ministry of Northern Development and Mines. Municipal representatives came from the Association of Municipalities of Ontario (AMO), Ontario Good Roads Association, Association of Ontario Road Superintendents and the Municipal Engineers Association. The Ontario Public Service Employees Union and the Canadian Union of Public Employees each named a representative. The Ontario Better Roads Coalition nominated the user representative on the panel.

The 13 members of the Expert Roads Panel come from across Ontario, from large and small municipalities and include:

Bob Oddson, Co-chair
Director

Program and Priority Development Br.
Ministry of Transportation
Downsview

Jeff Seaton, Co-chair
County Engineer

County of Victoria
Municipal Engineers Assoc./AMO

David Bradley
Better Roads Coalition
President, Ontario Trucking Association
Rexdale

Paul Dunseith
Ontario Public Service Employees' Association
Ministry of Transportation
Stratford

Ron Gelderland
First Vice President
Association of Ontario Road Superintendents
Township of Howard

John Hambleton
Regional Development Coordinator
Northeast Regional Office, Ministry of Northern Development and Mines
Sault Ste. Marie

Paul Jones
Manager, Local Government Policy
Ministry of Municipal Affairs
Toronto

Denis Merrall
County Engineer, County of Huron
Ontario Good Roads Association

Paul Mitcham
Commissioner of Works
City of Etobicoke
AMO

Ross Mitchell
Chief Administrative Officer
Town of Marathon
AMO

Steve Radbone
Regional Director
Ministry of Transportation
North Bay

Mike Sheflin
Transportation Commissioner
Ottawa-Carleton
AMO

Ian Thompson
Canadian Union of Public Employees
Associate Coordinator
Social Service Workers Coordinating Committee
Ontario Regional Office

Meetings and Process

The panel met for the first time in April, 1992. The panel met once or twice a month until its report was finalized in October. Members of the panel accepted the responsibility of keeping their various organizations and related stakeholder groups informed (see Communications and Consultations).

The Provincial-Local Relations Secretariat, established by the Municipal Affairs Minister, provided policy and administrative support to the panel.

Very early in the process, the panel developed a series of principles, some based directly on the working principles of disentanglement and others based on the particular needs and characteristics of Ontario's road system. These principles, which are discussed in Chapter 3, also touched on the appropriate roles of the Province and Municipalities.

A comprehensive list of options was developed. The panel reviewed and considered a full spectrum of options, ranging from no Provincial involvement in Municipal roads to Provincial assumption of all roads, and a number of variations involving more or less Provincial and Municipal responsibility.

At one point, there were 19 options before the panel, and some of those options were subdivided into separate parts which could be considered as additional options.

The panel screened these options against their principles. Only those options that, in the panel's view, conformed to all the principles were considered eligible for further, detailed analysis. However, some options were set aside for presentation to the Steering Committee for future consideration.

After much discussion, the options were reduced to a short list which could be the focus of consultations. After the results of the consultations were received, the panel met again, and members made final decisions on the options they supported for recommendation to the Steering Committee.

Communications

After every panel meeting, a report on highlights of the meeting and progress toward decision-making was provided by means of a FAX-COM, a short summary faxed out to all members. Members of the panel agreed to keep the executives of their own associations and related stakeholder groups apprised of what was happening.

The FAX-COM method was used to communicate with a number of stakeholder groups and to provide information for publications that would reach a large number of interested individuals and organizations.

Municipalities were kept informed through publications such as Municipal World, the Ontario Good Roads Association publication Road Runner, the Municipal Engineers Newsletter, and the Ministry of Municipal Affairs' newsletter Background. The Better Roads Coalition agreed to communicate with the executives of 14 related associations, such as the Canadian Automobile Association, Ontario Trucking Association and Ontario Motor Coach Association. Information was also provided to Topical, a newsletter distributed to the Ontario Public Service.

In addition, the Provincial-Local Relations Secretariat included news on the roads panel in its newsletter called Update on Disentanglement which is widely distributed.

Ontario Good Roads Association Consultations

During the summer of 1992, the Ontario Good Roads Association held nine consultation sessions across Ontario.

Almost a thousand people, from approximately 400 municipalities of all sizes and from all parts of Ontario, participated in the consultation meetings held in Brantford, Cumberland, Listowel, Madoc, Ridgetown, Sudbury, Thunder Bay, Timmins and Toronto. These meetings were attended by elected municipal councillors, municipal road employees, municipal clerks and chief administrative officers and others.

The consultations invited discussion of the options under consideration at the time by the roads panel. There was overwhelming support for the option which recommended retaining the existing Provincial-Municipal relationship and funding. Almost 90 per cent of participants had positive comments about it. The majority in every group strongly favoured this option, which would maintain the Provincial interest in all roads.

Nonetheless, the participants also indicated a broad recognition that the status quo could be improved upon, particularly to simplify administrative and approval procedures and to reward efficiency of operations rather than the current lowering of subsidy to those who work more efficiently. There was considerable write-in support for an option that supported an improved or enhanced status quo. The delegates indicated a preference that this option go forward as a distinct option rather than as part of any option, as the panel had originally intended.

There was also discussion of two options that contemplated Provincial funding for maintenance only or construction only. Both of these options were rejected by the majority of those who attended the consultation meetings. It was generally acknowledged that either option has the potential to distort the priorities within a road system. As an example, maintenance of a road could be ignored to the point of requiring construction and thereby becoming eligible for Provincial funding. It was recognized that decisions regarding the need to construct or maintain a road should continue to be based on road need and cost effectiveness and not the availability of Provincial funding.

Funding by road classification received some support (approximately 50 per cent) from all groups except elected councillors from upper-tier Municipalities (Counties and Regions). Concerns were expressed about the process for classifying roads for grant purposes and the need to have Provincial-Municipal agreement on how this would be done.

All groups rejected an option which proposed that the Province assume responsibility for all upper-tier roads, which are now managed by upper-tier Municipalities and cost-shared. This option was considered impractical in that the Province would be unlikely to accept this additional responsibility; as well, the benefit of local planning and input would be lost.

There was support from representatives of upper-tier Municipalities and clerks/administrators for an option which would have Municipalities accept responsibility for those sections of Provincial highways that are now identified for transfer to the local level. Lower-tier groups did not see any benefit from this option for them.

At all consultation sessions, the importance of technical assistance and advice by the Ministry of Transportation to Municipalities was emphasized. No matter what happens through Disentanglement, participants urged that this function be retained and in some areas expanded.

The results of these meetings were presented to the expert panel by the representative of the Ontario Good Roads Association (OGRA). A full report by the OGRA on the consultation is contained in Appendix 1.

1.3 ORGANIZATION OF THIS REPORT

The first chapter of this report is intended to set the context for the rest of the report and indicate in general how the Expert Roads Panel fulfilled its mandate to review the Provincial-Municipal relationship as it pertains to roads.

Chapter 2 examines the current roles and responsibilities of the Province and Municipalities as they apply to the Ontario road system.

Chapter 3 presents the principles developed by the panel.

Chapter 4 describes briefly the options considered and rejected by the panel.

Chapter 5 presents the conclusions of the panel and options that are put before the Steering Committee for its consideration.

Chapter 6 includes the panel's views on Implementation.

Appendix 1 contains a report of the OGRA on its consultation. Appendix 2 contains Ministry of Transportation preliminary financial analysis of options. Appendix 3 contains the official position of the OGRA in response to this process. Appendix 4 and 5 contain the official positions of the Municipal Engineers Association and the Association of Ontario Road Superintendents respectively.

2 THE CURRENT RELATIONSHIP

There are approximately 21,600 kilometres of provincial highways and 125,000 kilometres of municipal roads in Ontario's road network. All 831 Municipalities across Ontario are involved in some way in managing their roads within this network.

Standards for construction and operation of roads and highways are based on North-American-wide or internationally-adopted standards. Signs, for example, have their basis in internationally-accepted symbols and operational standards. The Highway Traffic Act and the Public Transportation and Highway Improvement Act (and the Municipal Act) establish many of these standards for Ontario roads. The Ministry of Transportation of Ontario (MTO) provides technical guidance to Municipalities, establishes minimum standards for municipal road construction supported by the Province, and administers conditional road grant allocations to Municipalities.

Roads have different functions or classifications. There are provincial highways, including routes which have some provincial, national or international significance, such as the Trans-Canada Highway or the Queen Elizabeth Way (QEW). The next classification is regional, inter-regional and arterial roads, which are thoroughfares through regions and communities and provide links to major highways.

Two other classifications are collectors and local roads. Collectors are roads that feed the traffic from local roads to the major arterial network within a municipality. They serve other uses than access to individual residential properties. They are usually not inter-municipal roads. They include city streets through business areas and mid-block streets connecting residential streets. Traffic using them is generally not travelling the distances of vehicles on the arterial roads. Local roads include residential streets.

Having explained how roads serve different functions, it is also important to note that most roads serve multiple functions. For example, provincial highways also provide access to property.

Provincial Highways

The Province is wholly responsible for the planning, construction, maintenance and funding of provincial highways. It builds them, provides for their upkeep, and pays for them. These highways are major transportation corridors within the province, including freeways such as the QEW and Highways 401, 400 and 427 and arterials such as Highways 11, 17, and 71. They link major centres, span the province, and provide access to border crossings. The Province also participates directly in the building and maintaining of roads within unorganized areas of Northern Ontario in cooperation with Local Roads Boards.

Municipal Roads

Municipal roads are built, maintained and administered by individual Municipalities. Within its legislated authority, a Municipality decides how to spend money on its roads, priorities for road work, standards for construction (such as pavement width, surface type, drainage through curbs or ditches) and maintenance. Municipalities are legally responsible for the safe operation of their roads. Developers build the roads in new subdivisions; once built, the Municipality assumes responsibility.

The Provincial conditional grant subsidy program, whereby the Province shares in the cost of municipal roads, differentiates among municipal jurisdictions. There are different cost-sharing arrangements for upper-tier municipalities – Regions (including the District of Muskoka), Counties and Metropolitan Toronto – and lower-tier Municipalities, which include Townships, Cities, Towns and Villages. In addition, there are different arrangements within the lower-tier category, depending on the size and type (for example, rural or urban) of municipality.

Generally, although there are sometimes exceptions, Municipalities are required to match at least part of the MTO grant with expenditures of their own. For example, the Provincial grant may cover 50 to 80 per cent of the cost, and the Municipality has to provide the rest. If a Municipality chooses to spend more than the amount allocated for base road grants by the Province, the additional expenditure is strictly a local cost even though the work is eligible for subsidy.

The Ministry of Transportation, through its Municipal Roads Program, defines how the Province shares road costs and establishes many of the eligibility rules for municipal roads. The maximum rate of assistance is limited by legislation, either the Public Transportation and Highway Improvement Act or the specific legislation which formed Regional Municipalities. The actual annual amount of Provincial assistance is governed by the Ontario Budget process.

The Upper-Tier System

The Province sets criteria for a road to be designated as an upper-tier County or Regional road. Upper-tier roads are generally major arterial roads serving a county or region, such as Yonge Street in Metropolitan Toronto or Trafalgar Road in Halton Region. There are also roads which are designated as suburban roads in the upper-tier system. The cost of these suburban roads is shared by a County and a separated City or Town within the County.

The Province provides conditional road grants that must be spent supporting the upper-tier road system. These grants range between 50 and 80 per cent as determined by the Province based on identified “needs” of the road system. Needs are determined by an annual inspection of the roads and the application of standards (condition and capacity of the roads).

The rate of assistance provided by the Province is based on the calculation of needs and Municipal resources. The ability of Counties and Regions to pay, based on their overall resources, affects the rate of Provincial road subsidy. Less well-off jurisdictions receive higher subsidy rates from the Province.

Construction and maintenance are both subsidized. There is also subsidy for a portion of Municipal administration and overhead. Each County and Region must submit an annual expenditure plan to the Ministry of Transportation and a year-end annual return.

The Lower-Tier System

Within all the Regions and Counties across Southern Ontario and within the Districts in Northern Ontario, there are hundreds of lower-tier municipalities. These municipalities are also involved in the provision of road maintenance and construction services. The simplest way of defining which roads are a lower-tier responsibility is in the negative – they are all the public roads that are not Provincial highways or upper-tier County and Regional roads.

The rate of Provincial assistance for lower-tier roads in Cities is a flat 50 per cent. For Towns and Villages, the subsidy is 50 per cent for roads and 80 per cent for bridges. Townships receive 50 to 80 per cent for roads, and 80 to 100 per cent for bridges.

The calculation of subsidy in the large Townships is similar to the system used for upper-tier Municipalities – based on needs and resources. For small Townships, needs are based on the length and type of road, rather than on the more comprehensive inventory process and road needs studies which are used in the large Townships. For all Townships, the resources of the Municipality are taken into account so that less well-off Municipalities receive a higher rate of subsidy.

With relatively small populations and limited resources, small Townships do not have large administrative or operational budgets for roads. They provide basic maintenance services on roads and bridges. A new bridge or major road reconstruction usually requires a higher rate of subsidy from the Province and the addition of supplementary grants. The smaller Municipalities rely on MTO technical support provided by Ministry staff in fields such as drainage, road grading and construction tendering.

The subsidy system for Cities, Towns and Villages is different in that the rate of assistance does not vary according to the resources of the Municipality. The needs of the roads system are assessed to determine the amount of subsidy, but the rate of subsidy does not vary.

Cities and large Towns operate very similarly to upper-tier Counties and Regions in terms of receiving normal base allocations for construction and maintenance of their roads. They plan, design, construct and maintain their own road system, in some cases with little direct involvement by the Ministry of Transportation. Only when there is a large project, such as a new bridge, would a city be considered for supplementary assistance. Small Towns and Villages, on the other hand, receive little or no annual construction funding within their base allocations and seek supplementary assistance for most construction projects.

Additional Provincial Funding

Supplementary Funding: Supplementary funding may be provided by the Minister of Transportation for specific projects, and for Township equipment purchases and buildings. Municipalities submit requests each year; these are ranked in priority by MTO. Supplementary funds are provided to assist small Municipalities on construction projects too large to handle within the annual allocations; to assist in times of emergency; and to provide additional funding for large projects of Provincial interest. Supplementary funding by the Province normally makes up less than five per cent of the total Municipal road allocations.

Development Roads: The Minister may designate a road a “development road” and provide special funding where the road is deemed to be essential in providing transportation services to enhance or stimulate economic development within the municipality.

Connecting Links: The Province provides specific funding for construction and maintenance of Kings Highway connecting links. These are roads under the jurisdiction of a Municipality that provide a link or connection to the Provincial highway system. They are designated as such by the Minister. There are 845 kilometres of connecting links in 181 municipalities. They are usually the signed highway route through a city or town, such as Highway 3 through Windsor, from Highway 401 to the border crossing with the United States. The Province approves traffic control measures and construction plans for connecting links before providing funding.

Northern Ontario: The Ministry of Northern Development and Mines (MNDM) provides funding assistance to Northern Municipalities with a particular focus on capital road or bridge work in smaller communities. The program is generally based on the subsidy policy of the Ministry of Transportation and in the majority of cases, MNDM allocations are administered by Ministry of Transportation staff.

Growth and Change

The road system is not static. Not only do roads need regular maintenance and periodic upgrading, but as communities grow and subdivisions are built, Municipalities assume responsibility for more roads. Traffic growth increases demand for collectors and arterials to move people and vehicles in, around and through urban centres.

Sometimes the Province assumes and improves existing municipal roads. The transfer can also go the other way. When new highways are built, sometimes old highways in the area no longer serve a primary “provincial” function and begin to serve predominantly local or regional transportation needs.

For example, Highway 2 used to be a major link across southern Ontario and is now considered the “scenic” route compared to Highway 401 and the QEW. Highway 2 in many locations serves as access to local businesses, provides connections to the Provincial highway system and feeds traffic to and from highly developed urban communities.

The Province may transfer, or designate for transfer, a provincial highway that the Province considers to be more appropriately a municipal road. Transfers have only occurred when both the Municipality and the Province agreed.

Inter-Municipal transfers are common between lower and upper-tier Municipalities in response to changing population distribution and the creation of new arterial roads.

3 PRINCIPLES

As part of the screening process to decide on options to present to the Steering Committee, the roads panel developed 10 principles. These principles were used to guide evaluation of the various options and consideration of the major issues. Some of the statements of principle are adapted from the Disentanglement working principles (introduced in Section 1 of this report) where they seemed to apply to roles and responsibilities of the two levels of government in roads and highways. Additional principles were developed with specific reference to the road system.

1. Ontario's road system makes a major contribution to the economy of the province and to the quality of life of the people who live here.

Because roads are so much a part of everyday life and commerce, it is easy to forget how important it is that Ontario have a strong, efficient and integrated road network – from driveway to highway. Roads link people, communities and regions of the province in an interconnected network that spans the province from border to border.

Over 70 per cent of goods manufactured in Ontario are shipped by road, making the road system a key factor in Ontario's competitiveness in North American and world markets. Municipalities attract business through the efficiency of the road system within their boundaries and the roads that link them to other centres. Building and maintaining roads also provides direct economic stimulus to the provincial and local economies.

The roads panel agreed that roads and highways are more important than their individual parts or jurisdictions. They play a broad role in the overall development of the province and in each municipality, and should be recognized for their role in ensuring the economic vitality of the province through its ability to move people and goods in an economic and cost-effective manner.

2. **There is a shared Provincial-Municipal interest in a sound, integrated and accessible road system across Ontario.**

One of the purposes of disentanglement is to determine what is the interest of each level of government in a particular area, such as road transportation services. That determination is key to deciding how responsibilities and authority should be shared or divided between the Province or Municipalities. Both levels of government have an interest in ensuring that all the links in the Ontario road system are sound to ensure a fully integrated and accessible system. Roads often serve several roles in contributing to mobility throughout Ontario. They can serve a local purpose in providing access to property and also be a "through" road in an urban centre.

There is Provincial and Municipal interest in assuring that the road network continues to contribute to the economic and social well-being of Ontario. It is important that the provincial highways which pass through or around municipalities are linked to the Municipal road system.

3. **There is a hierarchy of Provincial interest in roads based on their function or classification.**

Different types of roads have different significance to the Province. The hierarchy of interest begins with provincial highways because these routes have provincial, national or international significance and therefore have a greater impact on the Ontario economy and mobility across the province. The arterial classification of roads generally is of higher Provincial significance than collector roads and local roads because arterials provide important thoroughfares through regions and communities and provide links to major highways. Collector and local roads are of more local interest.

4. **There is particular Municipal interest where there are local implications for planning, access, the economy and the environment.**

Municipal interest also varies according to the type or function of the road. A Municipality has less interest in a road that serves users from outside the municipal boundaries or users who are passing through the area. A Municipality has a very definite interest in roads that serve local businesses.

- 5. The system must have consistent province-wide standards, suitable to the function or classification of the roads, for the safety and continuity of the road network as a whole.**

The Province should play a role, in consultation with Municipalities, in establishing standards pertaining to safety and standards promoting inter-municipal road links, integration of transportation systems and the provision of alternative modes of travel.

The panel does not support significant variation in physical standards for roads within a classification. All roads are travelled on by vehicles having internationally-accepted standards, such as weight, size and acceleration and braking characteristics. Road features such as pavement width, surface type, design characteristics, as well as speed limits, should not be vastly different on arterial roads from one jurisdiction to another to ensure safe, efficient travel. However, it is appropriate for Municipalities to provide services such as winter maintenance which are geared to the requirements of the municipality. Local variation, by road function, in all such road services is acceptable.

- 6. Provincial leadership is appropriate for transportation planning for the province as a whole. Within the context of Provincial standards and planning guidelines, Municipalities should continue to plan and set policies for Municipal roads.**

The Province should continue to play a role with Municipalities in developing transportation strategy that promotes economic development and competitiveness. There is also a planning and coordination role for the Province in integration of the transportation system, not just for roads, but for all modes of travel.

Municipalities should plan for and set policies for construction, maintenance, access, operation, encroachment, signs and parking for the roads under their jurisdiction. There must be coordination with adjacent and surrounding Municipalities to maintain an integrated network.

- 7. Access to the road system should not be limited by lack of local resources.**

There must be mechanisms to ensure that Municipalities which do not have large resources are able to maintain their roads in a consistent manner in accordance with the standards appropriate for the function and use of those roads. It is in the interest of the system as a whole that there be equity of access throughout the road system.

- 8. Adequate and ongoing investment is key to maintaining the integrity of the road system and its contribution to the economy. There should be fair financial participation by both the Province and Municipalities.**

The expert panel on roads is keenly aware of the importance of the road system to Ontario and is concerned that there be a commitment to invest in the maintenance and improvement of the system on an ongoing basis. The panel wishes to emphasize that adequate investment must be sustained. Piecemeal or random funding for roads will jeopardize the integrity of the system, creating a checker-board transportation system of "have" and "have-not" areas across the province.

Roads funding has been under pressure particularly in the last two years because of the impact of the recession on government revenues and the need for increased social assistance funding to support people who cannot find jobs. Until the 1990s, many Municipalities exceeded the limit of Provincial subsidy for roads, putting additional investment into the transportation system within their communities. However, many of those Municipalities have had to reduce expenditures on road improvements because of rising welfare costs at a time of high unemployment.

If there is reduced contribution by either level of government, the shortfall will have to be made up by the other party or through other revenue sources to avoid deterioration of the system and the resulting long-term impact on the economic vitality of the province.

Adequate and ongoing investment in both construction and maintenance of roads is necessary. If maintenance is neglected, for example, future construction costs will be higher to rebuild roads which have fallen into disrepair. If necessary new construction is avoided, the wear and tear on existing roads will increase. It is important that cost-sharing relationships not bias decision-making in favour of construction or maintenance to the detriment of the road system and its users.

All people who use the Ontario road system do not necessarily live – and pay municipal taxes – in the areas through which they travel. Based on the mobility of road users, the Province has some obligation to invest Provincial revenues in what is now designated as the municipal road system. A Municipal contribution is appropriate to ensure accountability for local management decisions.

9. Financial participation by users and beneficiaries of the road system is appropriate.

Developers and industry which benefit directly from the road system should pay their fair share of the costs of building the required infrastructure. Residential streets within subdivisions are originally built and paid for by the developer. Sometimes, a developer shares the costs of upgrading the arterial system or the provincial highway in the area through development agreements or charges.

10. Management of the road system should promote efficiency and effectiveness. Participation by the community and involvement of employees are important.

The Provincial-Municipal relationship, including financial participation, in the road system of Ontario should encourage cost-effective management and provision of services. Emphasis on efficiency and effectiveness is seen as essential in these times of financial restraint, lower revenues and high demand for government services. One of the ingredients of an effective system is the involvement of employees in the process of identifying where services can be improved. In addition, the community at large, which uses the road system, should be consulted on how to make it better.

4 OPTIONS CONSIDERED AND REJECTED

The panel considered a whole range of options. The options list went through a number of evolutions, and the order and breakdown of options changed as discussions continued. Sometimes an option was reconsidered as a subset of others, or an option with several parts was subdivided to become two or three different options.

In the next chapter, the options preferred by members of the panel are presented and arguments are made to support them. There are also some options that the panel agreed to refer to the Steering Committee for further consideration in an appropriate forum. They are also dealt with in the next chapter.

This chapter deals with the options that were considered unacceptable by the panel. The list of options below gives a brief explanation of what the option proposed and why it was rejected. The short rationale included with each option is not meant to cover the whole range of debate and opinion among panel members. The list provides only a thumb-nail sketch of why the panel found the option unacceptable. The options which received support from some panel members are described in much greater detail in the next chapter.

All of the options were scrutinized and debated by the panel. They were considered to see if they conformed to the panel's principles outlined in the **previous** chapter. Those that survived the initial pass-or-fail test were subjected to other criteria which are described in the next chapter.

This chapter is simply meant to give an overview of the possibilities considered. The number in brackets after each option is the number of the option when it was considered by the panel and by participants in the consultations. These numbers are included so that people who have been following the options process can see readily what happened to the various options. This chapter covers options 1 through 9, 12, 16 and 17.*

* Option 15, which was also dropped from the list of options being considered, is not shown here because it was considered to be covered under option 11, which is discussed in the next chapter.

No Provincial Involvement in Municipal Roads (Option 1)

Description: The Province would no longer be involved in any municipal roads. There would be no Provincial cost-sharing of any municipal roads. The Province would not set policy or standards for municipal roads. Technical assistance by the Ministry of Transportation would be reduced or eliminated.

Why Rejected: This option fails to recognize that the Province shares an interest with Municipalities in the Ontario road system, particularly major roads such as arterial and connecting routes that have an impact on the provincial highway system. It does not recognize the need for province-wide standards.

No Provincial Conditional Grants for Roads, but Continued Provincial Legislation, Policy and Standard-Setting (Option 2)

Description: The Province would exert influence over the way Municipalities manage their road system through regulation rather than through financial contribution.

Why Rejected: The Province would set the rules, but would have no financial stake or accountability in the consequences. This violates the principle of “pay for say” – a significant role in policy and standards should be accompanied by a financial stake.

No Provincial Financial Support for Road Maintenance (Option 3)

Description: The Province would continue to provide conditional road grants for road and bridge construction, but would no longer contribute to maintenance. A clear distinction would have to be made between what constituted regular road “maintenance”, and what was “construction”.

Why Rejected: Provincial interest is considered to exist in both construction and maintenance of roads. Funding for construction only could tend to skew decision-making by Municipalities; it would discourage cost-effective maintenance activities that would defer construction expenditures. This option could lead to ongoing disagreements between the parties over whether a project fits the category of maintenance or construction.

No Provincial Financial Support for Road Construction (Option 4)

Description: This option is the opposite of the one above. The Province would continue to provide conditional road grants for maintenance, but would no longer cost-share construction costs with Municipalities. A clear distinction would have to be made between what constituted regular road “maintenance”, and what was “construction”.

Why Rejected: Similar rationale to the option above. Provincial interest is considered to exist in both construction and maintenance of roads. Funding for maintenance only could tend to skew decision-making by Municipalities. Many Municipalities would have difficulty financing major capital projects without Provincial subsidies. Without involvement in construction financing, the Province would have difficulty achieving its objectives.

Limited Provincial Special Purpose Funding (Option 5)

Description: Municipalities would fund their road operations, with Provincial assistance provided only for specific projects through special purpose funding. Eligible projects would include those that met Provincial objectives, that had an impact on the provincial highway system and projects that placed an undue burden on a particular Municipality.

Why Rejected: This option proposes a piecemeal financial contribution that would fail to protect the Provincial interest in the integrity of the Ontario road system.

Provincial Subsidy for Growth-Related Construction (Option 6)

Description: Provincial conditional road funding would be restricted to construction projects associated with population, traffic or economic growth. This could include the widening of a road to add more lanes, construction of a new road to provide access to industry or resources or road improvements in an urban area to accommodate road and transit use for urban development.

Why Rejected: This option, like the one above, provides for only piecemeal contribution by the Province on a relatively small scale and fails to protect the Provincial interest in the overall integrity of the road system.

Block Provincial Grants for Roads (Option 7)

Description: Provincial grants would be conditional only on Municipalities spending the money on roads. No Municipal share would be specified. Municipalities would fund their road operations from the block grants and whatever local resources they chose to allocate to roads.

Why Rejected: This option removes the assurance of Municipal contribution to roads and may jeopardize continued adequate investment in the road system. It does not recognize the principle of Municipal interest in roads.

Unconditional Grants (Option 8)

Description: Municipalities would receive unconditional grants to replace conditional road grants. The unconditional grants would not have to be spent on roads; the Municipality would decide how to use the funds through its budget-setting process.

Why Rejected: Unconditional grants do not fulfil any Provincial interest in municipal roads. They fail to ensure any level of investment in the road system.

Disentanglement Based on Type of Municipality (Option 9)

Description: Under this option, the Province would further differentiate among Municipalities for roads funding on the basis of such considerations as size, expertise and financial capacity.

Why Rejected: Overall system integrity and continuity cannot be assured by the Province through a “patchwork” interest in municipal roads. The panel believes there is a Provincial interest in roads in all Municipalities.

Provincial Integration of Block Transportation Subsidies

(Option 12)

Description: This option would combine Provincial grants for municipal transportation, including both transit and roads. Municipalities would receive a transportation grant that they could spend on either transit or roads, and possibly on either capital or operating needs.

Why Rejected: This approach removes the assurance of Municipal contribution to roads or transit. It could influence decision-making towards one or the other. It may also undermine the principle of Municipal interest in roads.

Provincial Assumption of All Roads (Option 16)

Description: This option removes any Municipal role in roads. It sits at one end of the disentanglement spectrum in that Municipalities would be totally disentangled from responsibility for roads. All public roads would be under Provincial jurisdiction.

Why Rejected: This option violates the principle of a shared Provincial and Municipal interest in roads. It would have the Province making all the decisions related to all roads, including local roads, adding enormously to Provincial cost and administrative responsibilities. Municipalities would have no direct involvement in the roads in their areas.

Municipal Assumption of Provincial Highways (Option 17)

Description: This option assumes that upper-tier Municipalities would take over responsibility for provincial highways within their boundaries. These highways could be cost-shared the way upper-tier roads are now cost-shared. This option implies a Municipal interest in provincial roads.

Why Rejected: This option removes Provincial road jurisdiction, except possibly in parts of Northern Ontario where there is no municipal organization. Certain major freeways serve predominantly a Provincial function. Municipal jurisdiction over these freeways would not be practical.

5 CONCLUSIONS AND PREFERRED OPTIONS

The expert panel on roads believes that both levels of government have an interest in the Ontario road system and that both levels of government should support the system financially. However, how the best interests of the road system, the public, and the two levels of government can be served in the context of the Provincial-Municipal relationship is a matter of perspective.

Options are presented in this section from the point of view of four different perspectives on the panel – the Majority Perspective, which is preferred by the Municipal representatives, and the preferred options of the Provincial, Labour and User representatives. At the end of each “perspective”, there is a brief note *in italics* explaining the concerns or objections raised by other representatives on the panel about the option.

The “continuous improvement” option presented in the Majority Perspective is supported by all members of the panel as a management process – as a way to increase the efficiency and effectiveness of the current system. However, Provincial representatives on the panel argue that this option does not disentangle Provincial-Municipal roles and responsibilities. The labour representatives add that unions must be involved in planning and evaluation of the continuous improvement process and that it should not have adverse workforce impacts. Provincial representatives, labour representatives and the user representative on the panel each put forward their own preferred options for consideration by the Steering Committee.

After the four preferred options are presented, two other additional options are discussed, followed by other issues which the panel concluded should be sent to the Steering Committee for consideration and future study. These other issues are important matters which could not be given adequate consideration by the panel within its mandate.

All of the options discussed in this chapter were given consideration by members of the panel in light of the the panel’s principles and its view of appropriate roles for each level of government (outlined in Chapter 3); the outcome of the consultation process (described in Chapter 1); and the objectives of disentanglement (outlined in Chapter 1).

In evaluating the options, the panel also considered the potential impact on services, on the workforce, and on the resources of Municipalities and the Province. But the panel concluded that these matters require more extensive study before implementation of any change in the existing arrangements. Financial and workforce impact analysis and issues relating to implementation must be dealt with no matter what option the Steering Committee may choose to endorse.

As in the previous chapter, the number in brackets after each option is the number of the option when it was considered by the panel and by participants in the consultations. These numbers are included so that people who have been following the options process can see readily what happened to the various options. This chapter covers options 13, 11a, 19, 11b, 11c and 17a. The Ministry of Transportation has done some preliminary financial analysis on 11a, 11b, 11c and 19. That analysis and the assumptions on which the financial estimates are based are detailed in Appendix 2.

5.1 THE MAJORITY PERSPECTIVE

Enhanced Status Quo with Continuous Improvements (Option 13)

The following option is preferred by representatives of these municipal organizations on the expert roads panel:

- Association of Municipalities of Ontario (AMO)
- Association of Ontario Road Superintendents (AORS)
- Municipal Engineers Association (MEA)
- Ontario Good Roads Association (OGRA)

The fundamentals of the existing system, including a financial contribution by both levels of government to all municipal roads, should be retained. The efficiency and effectiveness of the current system of roads management should be enhanced on an ongoing basis through administrative streamlining, financial incentives and other improvements.

The panel members who recommend this option as the preferred option argue that the existing relationship represents an appropriate sharing of responsibilities and costs based on the mutual interest of the Province and Municipalities in an integrated, accessible and adequately funded road system. The basics of the existing relationship and funding arrangements would be retained under this option, and within that context, significant improvements would be made in a continuous fashion over time.

There has not been a determination of a financial impact of this option, but it is anticipated that cost efficiencies would be achieved for the system as a whole that would benefit the taxpayer. Until the various improvements are identified and quantified, a specific cost estimate is not possible.

As noted in the introduction to this chapter, all members of the panel can support “continuous improvement” as a management process. There is disagreement, however, over whether this option should be the preferred choice in light of the objectives of disentanglement.

The labour representatives on the panel note that they support this option provided that unions are involved in planning and evaluation and that there are no adverse workforce impacts.

The Ontario Good Roads Associations has issued an official position endorsing this option and the Municipal Engineers Association has issued a statement backing the OGRA position (see Appendix 3). The OGRA position asks that all the organizations and the Ministry of Transportation be involved in defining and quantifying the proposed enhancements to the status quo and in the process of implementation and evaluation.

The panel supports the involvement of these organizations; it also expects that labour representatives would be included in implementation planning.

Improvements which could be made, in general, include:

- reduced paper flow;
- decreased administration;
- streamlining of allocation and payment processes;
- streamlining of eligibility criteria;
- decreased emphasis on accounting and auditing; and
- clearer rules, processes and lines of accountability.

This option assumes that the Province would continue to be responsible for provincial highways and pay for their total cost. This is considered appropriate on the basis that these roads are of primary Provincial interest and have a major province-wide impact on mobility and economic development.

The continuation of Provincial financial support for municipal roads is justified on the grounds that the Province has an interest in the entire road system, including ensuring that the links are maintained within and through municipalities. In addition, the Province has an interest in ensuring equity of access through a grants program that provides additional assistance to Municipalities which do not have adequate resources to pay the full amount to build and maintain their roads.

Municipalities, for their part, build, maintain and manage all municipal roads and make a financial contribution to those roads. Since decisions about these roads have an important local impact, it is appropriate that the Municipality, which is accountable to the local taxpayer, have the authority to make those decisions and pay a share of the cost. The level of subsidy approved by the Province sets the tone for the Municipal budget-setting process.

Although the existing relationship is seen as a positive one, those supporting this option also argue that both the Province and Municipalities should seize this opportunity to improve the existing system and to keep improving it.

Continuous improvement is not something that just happens. It requires the development of targets and processes to set the wheels of continuous improvement in motion. It must involve everyone in the organization, particularly the employees – who are closest to the operation, who know how it works and where it does not work, and who know better than anyone where greater efficiency and effectiveness can be achieved. A partnership between management and labour representatives is necessary to promote greater efficiency and productivity.

Another requirement is simplified administration. Unnecessary paperwork, outdated and unnecessary regulatory requirements and administrivia must be eliminated. The Province and Municipalities should agree on a target for the reduction of administrative requirements in the area of roads; they should work together to identify all non-value-added control systems. Additional layers of administration through special purpose bodies should be eliminated.

One of the aims of disentanglement is to eliminate unnecessary duplication. In the roads system, this does not have to require a change in the management or funding relationship of the Province and Municipalities. There are opportunities for a more cost-effective road system through potential pooling of resources and greater cooperation among Municipalities and between the Province and Municipalities under the existing system.

Another area for refinement of the existing system is to give all Municipalities a needs-based assessment that takes into account ability to pay. Currently, most small lower-tier Municipalities are not subjected to a detailed five-year needs study, and the resources of urban Municipalities do not affect the subsidy rate. MTO would continue to provide technical expertise to small municipalities.

There should be incentives built into the subsidy system to promote efficiency and effectiveness. All Provincial subsidies could be conditional on Municipalities producing a transportation management strategy to make the best use of all transportation infrastructure, including but not limited to roads. These strategies would be reviewed annually by the MTO. Provincial grants could also be conditional on Municipalities having a form of pavement management strategy. This would ensure that there is no incentive to let roads run down to increase the “needs” of the roads system in a local area.

Municipal representatives also argue that a direct connection between the users of roads and the cost of roads would be beneficial. This refers to dedication of a portion of the Province’s road-related revenues, such as vehicle registration fees and fuel tax revenues, to Municipalities for their road budgets. This idea is discussed under other issues for consideration in Section 6 of this chapter.

The intent of this option is that staff affected by improvements would be reassigned. The impact on the workforce from this option requires further study. The panel understands that the Workforce Impact Committee will review the options.

No one on the panel argues against the concept that the existing relationship could be improved. No one disagrees with adopting the concept of continuous improvement. However, Provincial representatives on the panel noted that this option does not disentangle Provincial-Municipal relations, nor is it easily quantifiable in terms of financial impact.

5.2 THE PROVINCIAL PERSPECTIVE

Shared Interest in Arterial Roads Only (Option 11a)

The following disentanglement option is preferred by the representatives of the Provincial Government on the expert roads panel. They include:

- Ministry of Municipal Affairs
- Ministry of Northern Development and Mines
- Ministry of Transportation

The Province should provide conditional grants to Municipalities for arterial roads*, but no longer provide subsidies to Municipalities for construction or maintenance of collector or local roads.

* The definition of arterial road would include all upper-tier (County, Region and Metro) roads, major urban roads within cities, and rural roads which include the township lot and concession road system, excluding subdivision, seasonal and non-maintained roads.

Those who prefer this option argue that it advances the aims of disentanglement in a reasonable and workable fashion. It is a partial disentanglement, in that it removes the current contribution of the Province to collector and local roads and allows the Province to concentrate its financial contribution on the municipal roads in which it has the most interest. There would be a shared Provincial-Municipal interest and cost-sharing of arterial roads.

The Ministry of Transportation has made some preliminary estimates of the financial impact of this option, based on a sampling of Municipalities. The financial analysis and assumptions on which the calculations are based are included in Appendix 2. These estimates have not been validated by the expert panel.

This option is premised on the concept that the Province would cost-share road expenditures based on function or classification of the road, rather than on the type of Municipality. In the current system, there are different subsidy rates and methods of calculation for upper-tier and lower-tier Municipalities. The function-based model would take into account the needs of the arterial roads and the resources of the Municipality.

This option would allow the Province to focus its dollars on the roads in which it has the greatest interest because of their importance to the provincial economy and the mobility of people and goods throughout Ontario. The arterials, as defined above, are the roads which are the most important municipal roads in terms of complementing the provincial highway system. Other roads would not be eligible for Provincial conditional road grants.

The major impact of this option would be on the urban lower-tier Municipalities – Cities, Towns and Villages – where the majority of collectors and local roads exist. There would be less impact on rural lower-tier Municipalities. Upper-tier Municipalities would be least affected.

The impact on the workforce from this option requires further study. The panel understands that the Workforce Impact Committee will review the options.

Municipal representatives do not support this option because it will mean the withdrawal of conditional grants for collector and local roads. They argue that the Province has an interest in maintaining the integrity of the entire road system. They are also concerned about the ability of smaller Municipalities to maintain their roads adequately without Provincial assistance. Another criticism of this option is that it could add to administrative complexities by creating different classes of roads – those that receive Provincial funding support and those that do not. Elimination of local roads grants may distort local planning and land use and encourage undesirable strip development. Labour representatives are concerned that this option will have a detrimental impact on the workforce. They also argue that there is a Provincial interest in collector and local roads particularly in relation to housing development and housing policy.

5.3 THE LABOUR PERSPECTIVE

The Status Quo (Option 19)

This option is the preferred choice of the labour representatives on the expert roads panel:

Ontario Public Service Employees Union (OPSEU)
Canadian Union of Public Employees (CUPE)

The existing Provincial-Municipal relationship and funding arrangements for roads should be maintained.

With this option, there would be no change in Provincial-Municipal cost-sharing and no transfer of funding responsibilities.

The labour representatives support maintaining the existing relationship and funding model primarily because it will minimize disruption to the workforce. They have major concerns about workforce impacts from options which radically alter the way road expenditures are now managed and cost-shared.

Those in support of the status quo option also argue that there is much that works well in the current system, and that it reflects appropriate roles and responsibilities for the Province and Municipalities in the road system. Positive features of the current system include the assessment of needs and recognition of limitations on Municipal resources. The existing system recognizes the shared interest of both levels of government in the entire Ontario road system and its contribution to the economic well-being of the people of the province.

The union representatives see no need to initiate major change in the existing relationship, and believe that the financial participation of both levels of government is fair.

However, labour members of the panel indicated that they support the enhanced status quo (Option 13), preferred by the Municipal representatives on the panel, as long as there are assurances that the anticipated improvements and efficiencies would be done in cooperation with workers and that there would be no adverse impact on employees.

The workforce impact of this option is assumed to be nil. However, the panel still expects that there will be a review of this option by the Workforce Impact Committee, along with the other options put forward in this report.

Those not supporting this option argue that it does not provide the opportunity for positive change. It does not contribute to fiscal neutrality in the disentanglement process. They say that if the existing relationship is maintained, there must at least be a commitment to significant improvements in management practices and cost-effectiveness.

5.4 THE USER PERSPECTIVE

Full Provincial Assumption of Arterial Roads (Option 11b)

This option is preferred by the representative of road users, from the Ontario Better Roads Coalition, on the expert panel.

The Province should assume full financial responsibility for all arterial roads* in Ontario, and no longer provide subsidies to Municipalities for construction or maintenance of collector or local roads.

* The definition of arterial road would include all upper-tier (County, Region and Metro) roads, major urban roads within cities, and rural roads which include the township lot and concession road system, excluding subdivision, seasonal and non-maintained roads.

Under this option, the Province would assume full management and funding responsibility for arterial roads, as defined, and withdraw from involvement in collector and local roads.

The Ministry of Transportation has made some preliminary estimates of the financial impact of this option, based on a sampling of Municipalities. The financial analysis and assumptions on which the calculations are based are included in Appendix 2. These estimates have not been validated by the expert panel.

Those who support this option argue that it accomplishes full disentanglement, giving each level of government distinct and separate roles in the roads system. The Province would take over management and funding responsibility for arterial roads, and Municipalities would have full management and funding responsibility for collectors and local roads. There would be no cost-sharing between the two levels of government.

Full Provincial control of arterial roads is seen as a way of protecting the integrity and continuity of the major road system across the province, since the arterials are the major “back-up” for the provincial highway system. Construction and maintenance of arterial roads would no longer be subject to local priorities, but would be managed by the Province.

This option would shift many Municipal road employees to the Province. The impact on the workforce from this option requires further study. The panel understands that the Workforce Impact Committee will review the options.

Those who do not support this option argue that it could add complexity to the system because the Province would become involved in the management of what are now municipal roads. Currently, the Province cost-shares construction and maintenance of arterials, but Municipalities are the managers who make the decisions and administer road services. Under this option, the Province would have to become involved in land use issues and local transportation matters – which would be another form of entanglement and source of potential friction. In addition, this option does not contribute to fiscal neutrality in the context of Provincial assumption of the full costs of welfare allowances because it transfers more funding responsibilities to the Province.

5.5 ADDITIONAL OPTIONS

Variable Provincial Subsidy According to Road Function (Option 11c)

The Municipal representatives on the roads panel were asked to indicate a secondary option. This option is not recommended by the Municipal panel members. It is put forward solely on the basis that Steering Committee may not accept the preferred Municipal option because of the need to identify trade-offs to meet the principle of fiscal neutrality (as explained in Chapter 1 of this report).

The Province should continue to provide subsidies for all Municipal roads, but the Provincial subsidies would vary according to the function of the road (arterial, collector or local).

This option does not result in disentanglement, but it proposes a rearrangement of the fiscal relationship between the Province and Municipalities based on road function, and contributes to fiscal neutrality.

This option is premised on the concept of providing road subsidies based on the function or classification of the road, rather than on the type of Municipality. As already noted, there are different subsidy rates and methods of calculation for upper-tier and lower-tier Municipalities in the current system.

This option proposes that the Province continue to cost-share expenditures on all municipal roads, but that the cost-sharing vary according to type of road. For example, cost-sharing could vary as follows:

- arterial roads – 50 to 75 per cent Provincial subsidy based on needs of the road and resources of the Municipality sharing the cost;
- collector roads – 40 per cent Provincial subsidy based on needs;
- local roads – 25 per cent Provincial subsidy based on needs.

The Ministry of Transportation has made some preliminary estimates of the financial impact of this option, based on a sampling of Municipalities and using the above example of possible new subsidy rates. The example basically cuts the Provincial subsidy for local roads in half for Cities and Towns, which have most of the local roads and collectors. The subsidy is reduced for collectors.

The MTO financial analysis and assumptions on which the calculations are based are included in Appendix 2. These estimates have not been validated by the expert panel.

In this option, the definition of arterial road would include all upper-tier (County, Region and Metro) roads, major urban roads within cities, and rural roads which include the township lot and concession road system, excluding subdivision, seasonal and non-maintained roads.

Collectors would generally include roads that feed the traffic from local roads to the major arterial network within a municipality, including city streets through business areas. Local roads would generally be those streets providing access to individual residential properties.

The variable level of Provincial subsidy in this example reflects the greater interest of the Province in arterial roads, compared to collectors, and collectors compared to local roads. The higher level of Municipal contribution to local roads reflects the relatively higher local interest in those roads.

The impact on the workforce from this option requires further study. The panel understands that the Workforce Impact Committee will review the options.

Those not supporting this option are concerned that it could lead to substantially greater administrative complexity. It does not disentangle the Province from involvement in any municipal roads, and it could make the conditional grants system for roads more complicated to administer than the status quo.

Highway Transfers (Option 17a)

This option has support from panel members except for the OPSEU representative. Municipal representatives have indicated that for this option to be acceptable to them, all costs associated with highway transfers to Municipalities must be identified and included in the agreement.

The Province would transfer approximately 1,800 kilometres of what are now provincial highways to the municipal road system.

The transfer would be made on the basis that these specific highways and associated connecting links are, in the view of the Ministry of Transportation, more appropriately under upper-tier Municipal management because they no longer serve a Provincial function.

This option would directly affect upper-tier Municipalities. However, there would also be indirect consequences for lower-tier Municipalities in Eastern Ontario that are not part of the County road system. If this option is to be implemented, there must be a process to involve all affected Municipalities in the planning of the highway transfers. It will be necessary, for example, to re-examine needs and resources of County and lower-tier Municipalities and the logistics of implementation.

This option could be implemented as part of any of the options already presented except the option which transferred all responsibility for arterial roads to the Province (in that case, the Province would be transferring the 1,800-plus km to itself).

This option has significant funding implications. The true impact on disentanglement has been difficult to estimate because it depends on how the transfers are implemented. Past practice by the Province has been to negotiate financial conditions of the transfer with each Municipality affected.

Municipal representatives want assurance that if they accept the additional costs associated with these highway transfers that the financial impacts are recognized as part of the disentanglement exercise.

The impact on the workforce from this option requires further study (note labour concerns below). The panel understands that the Workforce Impact Committee will review the options.

There are concerns about the logistics of implementation of this option, given the need to reflect the costs associated with the transfers. The OPSEU representative is particularly concerned about impact on workers.

5.6 OTHER ISSUES FOR CONSIDERATION

The roads panel agreed to put forward other issues for consideration by the Steering Committee. It was felt that these options were worthy of further study that could not be done by the roads panel within its timeframe and mandate. These issues are not alternatives to the options already presented; they could be implemented in addition to other options. They are ideas that are put on the table for a more in-depth look. They may be referred by the Steering Committee to another forum for study.

Dedicated Revenues (Option 10)

Municipalities could receive a portion of road-related revenues collected by the Province.

Currently, the funds from MTO's vehicle registration system and the fuel taxes charged at the gas pump become part of the Province's Consolidated Revenue Fund. In other words, they are not separated from other sources of revenue, such as income tax and sales tax, in the Provincial Budget.

This option calls for earmarking and dedication of a portion of road-related Provincial revenues to be distributed to Municipalities for their roads budgets. This option is modelled on public utilities which recover the costs of their operations from their customers. An equitable method of distribution of road-related revenues to Municipalities would have to be developed.

This option is seen as a way of promoting user-pay in the roads system. People who own and drive cars and other vehicles on Ontario roads have an interest in a good roads system. This option removes some fiscal flexibility from the Province as to how it distributes revenues from the Consolidated Revenue Fund; it also limits the Provincial influence over use of those dedicated funds.

The panel was instructed by the Steering Committee not to pursue this option as part of its work. However, members wished to bring this issue to the attention of the Steering Committee for further consideration.

Inter-Municipal Disentanglement (Options 14 and 18)

A single tier of Municipal government could assume responsibility for all municipal roads.

This option is not disentanglement of the Provincial-Municipal relationship; it is essentially disentanglement within the municipal sector. Currently, both upper-tier Municipalities (Counties, Regions etc.) and lower-tier Municipalities (Cities, Townships etc.) are involved in roads management and funding. Theoretically, roads could be made a responsibility of one tier or the other, either through legislation or municipal agreement.

By eliminating multi-tier management of road transportation services, staff, equipment and facilities could be used more effectively. This could lead to simpler, more accountable, more cost-effective delivery of municipal transportation services without requiring massive Municipal restructuring. This option should be given serious consideration in future.

The best method of delivery of municipal road services would be determined.

This option is another one which affects Municipal sharing of service responsibility. It proposes taking a look at how road services are delivered by Municipalities and deciding which level of Municipal government is more suited to which activities. For example, it may be appropriate for a County or Region to be in charge of signals and lighting, while towns and townships do all the snowplowing. Both would still be involved in roads, but their roles in service delivery would change.

A more dramatic change would be a single-tier road department in a two-tier municipal government structure. Depending on population densities, a County could supply all road services directly on County roads or on a fee-for-service basis for its member Municipalities, or Cities could provide both local road and Regional road services within their boundaries. The intent is to integrate more effectively administrative services, design functions, purchasing and equipment and to avoid unnecessary duplication.

The outcome of studying delivery responsibilities could be different in different parts of the province. Delivery could also affect road maintenance and other activities on Provincial highways.

6 IMPLEMENTATION

The panel is concerned that there is much work left to be done. Whatever decision is made by the Steering Committee, there will be implications for implementation. Those implications must be fully explored through a collaborative process, involving all the organizations represented on this panel, before implementation begins.

Throughout this report, the panel has taken particular care to identify areas where further study and analysis are required. These areas include: impact on services; impact on the workforce; financial impact on individual Municipalities and the Province; and ease of implementation. These matters deserve more detailed study than the panel was able to provide within its mandate and timeframe.

Whatever course the Steering Committee chooses to follow, it is essential that there be a thorough examination of potential implications, including unintended side effects. For example, any decrease in Provincial funding of municipal roads is likely to be a disincentive to municipal incorporation in unincorporated parts of Ontario. This will have a particular impact in Northern Ontario, especially if roads funding to Local Roads Boards remains unchanged. Disentanglement should not act as a disincentive to municipal incorporation.

An implementation plan should be developed for any changes contemplated in the roles and responsibilities for the road system in Ontario. That implementation plan should provide assurances that proposed changes will not erect barriers to effective service delivery, sound decision-making or greater efficiency in the road system.

Monitoring and evaluation of the implementation plan should also be conducted, involving all the parties now at the table.

Despite the fact that there was not unanimous support for a recommendation to the Steering Committee, the panel feels that there has been significant value in clarifying respective positions and exploring new ideas. The expert roads panel believes that the work it has done in clarifying perspectives and considering a range of issues should ultimately benefit the road system and road users. It should also contribute to greater understanding between the Province and both tiers of Municipal government.

APPENDIX 1

SUMMARY OF CONSULTATIONS HELD BY THE ONTARIO

GOOD ROADS ASSOCIATION, JULY, AUGUST 1992

DISENTANGLEMENT CONSULTATION SUMMARY OF ALL MEETINGS

Summer 1992

ROAD EMPLOYEES

Upper Tier

- #3
 - must have funding for maintenance (11)
 - skew (8)
 - maintenance would suffer (5)
 - No (5)
 - would require maintenance standards (2)
 - mature system would suffer (2)
 - gives uniformity over Province
 - maintenance can be paid by local, e.g. subdivision
 - potential
 - development changes will cover construction
 - aging infrastructure requires assistance
 - small municipalities would suffer
- #4
 - skew (5)
 - large construction needs would not be built (4)
 - better than #3 but not good (3)
 - growth areas would suffer (2)
 - should be required - maintenance without provincial subsidy (2)
 - potential (2)
 - major maintenance would replace construction (2)
 - standards would be gone (2)
 - must have maintenance funding
 - developer charges would cover construction
 - administrative nightmare
- #11
 - Yes (11)
 - has possibilities (10)
 - local road funding would suffer (7)
 - difficult to classify roads (4)
 - No (3)
 - too complicated (2)
 - if use, this should be on traffic volume (2)
 - theory good but complicated administration problems (2)
 - with #19 (2)
 - increases entanglement
 - lead to problems - needs must remain

- lower tier would suffer
 - uniform standards would be gone
 - meets principles
- #15
- No (12)
 - local planning issue may suffer (10)
 - costs may be higher (4)
 - not feasible (4)
 - allows for standardization (2)
 - no lower tier benefit (2)
 - too great workforce impact
 - not efficient
 - too removed from users
 - surprisingly could be very effective
 - no benefit if no upper tier roads
 - paid by income tax not property tax, therefore good
 - OK
- #17A
- Yes (7)
 - used for part of the solution (4)
 - require more subsidy from Province (2)
 - downloading (2)
 - No (2)
 - should be upgraded first (2)
 - will get them anyway (2)
 - no rural benefit (2)
 - with #11 (2)
 - with #19 (2)
 - with #13
 - very practical
 - Province should keep so roads are consistent
 - send to lower tier
 - too high future costs
- #19
- with improvements (20)
 - long time putting together to throw out (6)
 - does not improve system (5)
 - Yes (3)
 - No (3)
 - Yes, just cut subsidy percentages (2)
 - "not broken - don't fix" (2)

- No, use #13 (2)
- assures money spent on roads (2)
- only if get more efficient
- already underfunded
- retain conditional funding
- user pay principle

General

- #13 (20)
- #13 may have promise with any option (3)
- unconditional grants have to carry on in perpetuity (3)
- no unconditional funding (2)
- R & D should be provincial (2)
- #14 (2)
- Option #7 (2)
- use unconditional grants to get GWA dollars - not roads (2)
- carry money into following year (2)
- leave roads alone - fix welfare (2)
- growth changes need to show in unconditionals
- has to combine all transportation together - buses, trains, etc.
- status quo needs changes along with restructuring
- standards required across the Province
- this a deal done by the Province already
- efficiency should go into welfare - not to roads when it already exists
- all levels of government must be revenue neutral
- moving too fast
- all municipalities on urban system
- simplify accounting system
- gas tax to municipalities
- fiscal neutrality will carry on the present inequities
- keep county connecting links
- need fiscal neutrality
- excellent MTO relationship to stay
- welfare expectation too high for ability to pay

ROAD EMPLOYEES

Lower Tier

- #3
 - both maintenance and construction need funding (19)
 - No (10)
 - maintenance would go down (5)
 - no incentive to maintain (5)
 - need some maintenance subsidy (4)
 - lower tier requires equipment subsidy (3)
 - skew (2)
 - maintenance more important in low growth area (2)
 - public safety would suffer
 - if only one better for construction
 - clearer definition needed for maintenance and construction
 - OK until welfare down, then back to roads
 - disincentive to good management
 - could maintain new roads later
 - Yes, with conditional funding

- #4
 - No (10)
 - would need help for bridges (8)
 - major project would not be built (7)
 - would lose construction standards (4)
 - system would not improve (3)
 - this is present method as only supplementary allow construction (3)
 - support principles compete with other departments for capital (3)
 - need balance of maintenance and construction (3)
 - must have maintenance funding (2)
 - still need help to purchase equipment
 - OK as long as supplementary for growth related and traffic signals
 - would give uniform level of service
 - skew
 - growth areas need construction
 - municipal should pay for level of service wanted
 - construction more important

- #11
 - Yes (14)
 - small would lose for low volume roads (6)
 - only upper tier would get subsidy (6)

- administration problems (4)
 - good if need change (4)
 - No (3)
 - need detailed classification (3)
 - 2nd choice (2)
 - most equitable (2)
 - could be more complicated than status quo
 - neutral party to do classification
 - not feasible
 - somewhat there now
 - with #13
 - with option #3 and #4
 - public would not understand
 - with option #3 and #4
- #15
- loss of municipal control in planning (10)
 - No (8)
 - N\A (6)
 - too costly (6)
 - Yes (3)
 - Yes and have only two road systems (2)
 - no effect on lower tier (2)
 - too much workplace impact (2)
 - does not meet idea of disentanglement
 - lower tier would save taxation
 - no option
 - questionable efficiency
 - smacks of restructuring
 - regressive
 - costs would need looking at
- #17A
- No (9)
 - N\A (6)
 - as long as upgraded first (4)
 - Yes (3)
 - streamline between upper and lower tier (3)
 - local taxes up again (3)
 - does not affect small township (2)
 - as long as increase in maintenance funding (2)
 - it is the trend
 - as long as municipality gets tire tax, fuel tax

- don't trust government on this one
 - who funds?
 - could be used for fiscal neutrality
 - cost effective
 - county already has enough
- #19
- with improvements (26)
 - Yes (21)
 - 1st choice (7)
 - "not broken - don't fix it" (7)
 - does not meet mandate (3)
 - 2nd choice (2)
 - looks after maintenance and construction well
 - if all else fails
 - this is less than our needs now
 - simpler reporting system
 - too confusing to public
 - with Option #13
 - does not encourage efficiency
 - No
 - if province tighten up GWA, this will work
 - does not meet adequate investment in road system

General

- Option #13 (21)
- moving too fast (4)
- retain conditional funding (4)
- use #14(b) (3)
- should be only one roads department in a county (2)
- concern about fiscal neutrality (2)
- need more crown land money
- need efficiency incentives
- not enough money now for needs
- no guarantee on unconditional grants
- standards need to be retained across townships
- too many things being considered now, eg. restructuring
- rural Ontario need provincial help
- province gets gas tax etc., therefore should contribute to all roads
- education is what should be looked at
- suburban roads commissions not needed

- Option #7
- give some gas tax to municipalities
- do not know funding effect of options
- get people to work and not on welfare
- do not like - "a deal is a deal"
- unconditional funding
- Option #2 and #8 true disentanglement
- MTO retain standard
- school boards should be committee of Council
- user pay for roads and related works
- garbage should be upper tier
- upper tier saved on GWA and may be only winner

POLITICIANS

Upper Tier

- #3
 - need both maintenance and construction funding (5)
 - could not work (2)
 - No (2)
 - better than #4
 - some merit
 - construction money wasted if no maintenance
 - system would deteriorate
- #4
 - would be no level of maintenance funding (2)
 - No (2)
 - lead to dishonesty in applying for subsidy
 - large project would be impossible
- #11
 - classification system could be difficult (4)
 - probably best (2)
 - need cooperation in cutting standards
 - Yes
 - No
 - must include some of planning act
 - favours province not municipalities
 - most equitable for those without welfare

- #15
 - No (4)
 - not practical (2)
 - Ok
 - level would lower
 - there will always be local impacts on these roads
 - regressive step
- #17A
 - OK (4)
 - should still be of provincial importance
 - downloading
 - No
 - should be part of any option
 - to be up to standard first
- #19
 - appears best system (5)
 - Yes, with improvements (5)
 - with option #13 (3)
 - No, because we need change (2)
 - No (2)
 - "not broken - don't fix" (2)
 - municipality should get part of gas tax

General

- need more information before can make decision
- Option #13 should have always existed
- welfare should be operated locally as we know who needs the money
- equipment and facilities should be shared
- fiscal neutrality be lowering present level of funding
- reduce redundant administration costs
- waste of my day as too philosophical
- Option #13
- welfare should be federal
- Province should have 100% of education
- "pay for say" for roads and welfare
- creating "Ministry of Disentanglement"
- user pay revenues should be for roads
- Option #5 for police service boards
- why does province want 100% of welfare?

POLITICIANS

Lower Tier

- #3
- must have both maintenance and construction funding (30)
 - No (21)
 - skew (8)
 - would lower maintenance priority (7)
 - Yes (5)
 - acceptable but too vague in detail (2)
 - what is "special purpose"? (2)
 - no growth areas - would lose out (2)
 - rural have to have maintenance funding (2)
 - should be retained
 - as long as there is fiscal neutrality
 - combine with #4 and add efficiency reward
 - no good as we have no bridges and won't need any new roads
 - would keep uniform maintenance over Province
 - at what level? 100%?
 - 2nd choice
 - don't need construction funding as roads are in good shape
 - OK if we get welfare money for maintenance
 - good if your roads are in poor shape
 - good for rural but not urban
 - need MTO control
 - who pays to rebuild roads?
 - who decides maintenance versus construction?
- #4
- No (23)
 - could not live with possible bridge collapse (8)
 - skew (7)
 - Yes (4)
 - maintenance funding a must (3)
 - small municipality would never do construction (3)
 - good as only place we spend (2)
 - if has to be changed, this is best
 - most promising
 - what is "special purpose"?
 - but what about equipment?
 - would not necessarily do needed construction projects

- unless large GWA trade off, then would not do construction
 - lower construction priority
 - better than #3
 - would lead to higher development changes
 - lower tier would suffer
- #11
- Yes (24)
 - can live with (15)
 - No (14)
 - who classifies roads? (6)
 - cannot say zero interest in cul de sac as they still pay tax (5)
 - Province would/could change mind of classification (3)
 - would force municipalities to do a good job (2)
 - could increase administration costs (2)
 - 2nd choice (2)
 - small municipality could not survive (2)
 - funding by needs (2)
 - tax payer expects standard upkeep for roads
 - seems best but could lead to each municipality negotiating with the Province
 - Transit existence or not should be taken into consideration
 - not reasonable for rural Ontario
 - with #19
 - who decides who can pay?
 - is this disentanglement?
 - municipality should decide where to spend money
 - as long as funding stays the same
- #15
- No (29)
 - Yes (10)
 - N/A (6)
 - local control would be gone (6)
 - efficiency would suffer (6)
 - Province could not afford all to be at same standard (5)
 - depends on costs (4)
 - could work but provincial highways have gone down hill in past five years (3)
 - could lessen lower tier funding (3)
 - can support if it eliminates county level (2)
 - OK for upper tier but not lower tier (2)

- Province probably would not accept
 - does not let lower tier gain if they are not in county system
 - may be simplest answer
 - would create more red tape
 - unrealistic
 - defeats disentanglement
 - as long as lower tier get 100% funding
 - who decides on connecting links
 - no provincial saving
- #17A - No (31)
- Yes (11)
 - N/A (5)
 - upgrade them first (5)
 - would force our township into county system for 500 series roads (3)
 - Yes, if saves money and duplication (3)
 - be more efficient (3)
 - OK if trade off insures burden created will offset relief to Province (2)
 - how would they be determined? (2)
 - downloading (2)
 - stinks badly
 - would dismantle provincial standards
 - transfer to lower tier - eliminate county level
 - regionalization
 - municipalities would need more money
 - infrastructure would fail
 - need cost comparison
 - part of other options
 - tourist area suffers as user from city
 - as part of #11 and #13
- #19 - Yes (53)
- Yes, with improvements (45)
 - after #13 (10)
 - No (8)
 - "ain't broke - don't fix" (7)
 - need some change (4)
 - if all else fails (3)
 - other options too vague to consider at this time (2)

- it is better, simpler government right now (2)
- why go through disentanglement? (2)
- how is this disentanglement? (2)
- can live with
- remove "use or lose" concept
- other options too many unanswered questions
- cannot afford the status quo
- not enough political input
- does not meet principle #1
- not an option

General

- Option #13 (43)
- Option #7 was best (7)
- have dedicated revenue sources (6)
- moving too quickly with process (5)
- rurals need funding , don't have GWA problems of urbans (4)
- be able to carry budget into following year (4)
- need specific funding to discuss options (3)
- need MTO funding (3)
- concern that when GWA improves, the municipalities will have lost out (2)
- small municipality should be urban funded (2)
- need provincial standards (2)
- conditional grants needed (2)
- Option #9 (2)
- meeting of little value as "I read all that was said in the mail out" (2)
- cannot afford three levels of government and all of the duplication (2)
- fiscal neutrality main concern (2)
- Province should concentrate on people working (2)
- reward efficiency (2)
- should have been more ministry people present when we drove this far
- eliminate transfer payments and Province take over education
- if change, would need massive unconditional grant to keep system going
- don't change for sake of change

- Option #13 should stay as addressed. "If don't spend this year, don't get next year mentality"
- disentanglement wastes money
- must retain MTO technical assistance or would have to hire consultants
- how is first nations affected?
- if province sets standards cost will go up
- people needed to get fiscal neutrality will out weigh all existing programs for costs
- how do you determine each government's level of service?
- development changes proves that it won't be neutral realignment
- Transit money should be viewed with roads, as small rural should get more for roads than city with Transit
- GWA and UIC should be together by Federal Government
- need better options and council input
- consider Province paying 100% for schools since they manage them, and give municipalities roads
- cannot have in place by January '93 or it will just be a hodge-podge system
- even with unconditional grant, the Province would call the shots
- other goals of process must be stated besides roads for welfare
- can AMO be signing partner for all municipalities
- balance with unconditional grants not roads
- same tax payer pays all bills
- concern of province doing all of welfare
- get rid of one level of government
- smoke screen for restructuring
- save money by not changing road signs
- cut existing funding by 10% to pay off debts
- no guarantee how long unconditional grants will last
- do I have input or has province made the decision?
- need other panels' options to compare to these
- welfare never was for municipality, therefore no trade
- share equipment
- Province not to start new programs with extra money
- should look at school bus funding
- go to regional government

CLERKS/ADMINISTRATORS

Combined

- #3
 - require both maintenance and construction funding (22)
 - No (7)
 - skew (5)
 - does not disentangle (2)
 - system would deteriorate (2)
 - maintenance would deteriorate (2)
 - good, but also equipment for small area
 - variations too great between municipalities
 - definition of "special purpose"
 - Yes
 - more important than maintenance
 - best for accountability
 - small community has to have maintenance funding
 - does not encourage efficiency
 - at what level of funding?
 - concern of loss of MTO technical
- #4
 - could not build a needed bridge (6)
 - No (5)
 - skew (2)
 - no construction would take place (2)
 - could lead to safety problems
 - fund maintenance on per km basis
 - need both maintenance and construction
 - infrastructure will not improve
 - construction for neighbour's benefit will not be built
 - most important for rural as most money goes there
 - Yes
- #11
 - Yes (10)
 - good idea (7)
 - feeder roads would suffer (3)
 - require more information (2)
 - needs good classification system (2)
 - No (2)
 - 2nd choice (2)

- confusing option (2)
 - too many variables (2)
 - create strip development (2)
 - traffic should not be basis for decision
 - 1st choice
 - N/A
 - overhead cost will increase
 - all roads need funding
 - further complicates system
 - with #13
 - why treat some roads differently?
- #15
- Yes (5)
 - No (5)
 - locals need to decide level of service (5)
 - N/A (4)
 - not locally satisfying (3)
 - too costly compared to locals doing it (2)
 - good, eliminates one level of government (2)
 - adds to Provincial financial problems (2)
 - what would be accomplished? (2)
 - warrants further study
 - county taxes would be less
 - lower tier should assume
 - only if more efficient
 - could be part of other options
 - roads would be poorer
 - upper tier not efficient
 - with #11
 - gives uniform standards
- #17A
- Yes (10)
 - No (8)
 - N/A (7)
 - downloading (4)
 - lower tier to assume (2)
 - Province doing so anyways
 - can upper tier afford to assume?
 - could be part of #11
 - as long as funding stays the same
 - avoid duplication

- rationalize all roads
- at what cost?

- #19
 - Yes, with improvements (17)
 - Yes (10)
 - works but does not meet mandate (5)
 - don't fix what is not broken (4)
 - if all else fails (2)
 - only acceptable option (2)
 - let's not be complacent (2)
 - No (2)
 - if this is option, why were roads ever looked at?
 - with some of #15 and #17A
 - solves nothing
 - Yes, with #13
 - should include efficiency incentives

General

- look at #13 again (21)
- need actual dollar effect before any good decision (3)
- should be conditional funding (3)
- lower tier is most efficient (3)
- revenues also to be considered (3)
- Option #7 and #8 need more consideration(2)
- too many changes; therefore, keep status quo (2)
- concern on fiscal neutrality (2)
- problem is welfare - leave roads alone (2)
- Province lowered us from 80 to 50% - use that dollar for welfare
- three levels is too much
- #9 has some logic
- needs/resource for level of funding
- change % of existing to meet GWA
- regulations for welfare need tightening
- time period too short
- rurals do not have welfare problem, only urban
- unacceptable for roads for welfare
- integrate transportation and land use planning
- must know all GWA options for decision
- Province stop dumping on roads

- simplify MTO audit
- do not trust Province's motives
- this is method to get Regional Government
- roads is major expense - need subsidy as local taxes cannot afford costs
- favours large municipalities like Sewell Commiss.
- no guarantee of unconditional grants remaining
- too much on table now - assessment, waste management, school funding etc.

OGRA DISENTANGLEMENT MEETINGS

SUMMARY BY CLASSIFICATIONS 963 ATTENDEES

BY TITLE

Elected Municipal	Reeve	106
	Warden	8
	Mayor	13
	Deputy Reeve	67
	Councillor/Alderman	229
	Total Elected	423

Staff Municipal	Administrator/CAO/Clerk/Treasurer	142
	Engineer	54
	Works/Road Superintendents	172
	Directors/Managers Works/Operations/Finance	69
	Chairmen/Members Committees	11
	Other Staff	25
	Total Staff	473

TOTAL MUNICIPAL REPRESENTATIVES	896
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Other	Ministry of Transportation	29
	Ministry of Municipal Affairs	1
	MPP	1
	Indian Reserves	2
	Press	1
	Corporate Representatives	13
	Unspecified	20

TOTAL OTHER REPRESENTATIVES	67
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TOTAL BY TITLE	963
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BY POPULATION

Less than 500	39
501 - 1,000	69
1,001 - 5,000	480
5,001 - 10,000	99
10,001 - 25,000	59
25,001 - 50,000	25
50,001 - 75,000	33
75,001 - 100,000	27
100,001 - 500,000	70
over 500,000	13
OTHER	49

TOTAL BY POPULATION	963
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BY TYPE OF MUNICIPALITY

	# of Delegates	# of Municipalities
Cities	68	
Counties	70	
Regions	26	
Towns	136	
Townships	551	2
Villages	50	
Subtotal	901	3
Other	62	

TOTAL BY MUNICIPAL TYPE	963
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APPENDIX 2

DISENTANGLEMENT IMPACT ANALYSIS FOR THE MUNICIPAL ROADS PROGRAM

**PREPARED BY
MINISTRY OF TRANSPORTATION OF ONTARIO**

EXECUTIVE SUMMARY

This analysis was conducted to assess the impact of the three quantifiable disentanglement options considered by the roads expert panel. The options are more fully described in the expert panel report but generally shift the focus of the municipal roads program from road jurisdiction to road functionality. The analysis was performed on fifty randomly selected municipalities across the province and municipal jurisdictions. Data derived from the sample municipality analysis was used in the analysis of the province as a whole. The analysis were based on 1992 ministry of transportation allocations for municipal roads.

Cost implications are listed below. ***It should be emphasized that these figures are estimates only, based on preliminary analysis by the Ministry of Transportation. It is important to bear in mind the assumptions made in undertaking the analysis.***

The options reviewed are as follows:

- 11a) Shared interest in arterial roads only, reduced provincial subsidy by approximately \$220 million.
- 11b) Full provincial assumption of arterial roads, increased provincial contribution to 'municipal' roads by approximately \$203 million.
- 11c) Variable provincial subsidy according to road function, reduced provincial subsidy by approximately \$110 million.

PROCESS

- | | |
|---------------|---|
| STEP 1 | Fifty sample municipalities selected reflecting a provincial and jurisdictional cross section and population concentrations. |
| STEP 2 | Road classifications and criteria identified. |
| STEP 3 | Road systems of the sample municipalities defined in terms of the classifications identified. Road lengths expressed in terms of two-lane equivalents. By this, one kilometre of three lane road is expressed as one and one half two-lane equivalent kilometres. |
| STEP 4 | Five municipalities not analyzed due to insufficient road data. |
| STEP 5 | Provincial road system defined in terms of the identified classifications utilizing sample municipality averages in part. Road lengths expressed in terms of two-lane equivalents. |
| STEP 6 | All municipal road expenditures supported by the ministry and related allocations identified for sample municipalities and province as a whole. |
| STEP 7 | Supported expenditure and related allocations divided into road classifications by weighting of two-lane equivalent roads. |
| STEP 8 | Each option analyzed based on its impacts on the different road classifications. |
| STEP 9 | All assumptions made in completing the analysis listed. |

SAMPLE MUNICIPALITIES

REGIONS: Haldimand-Norfolk
Ottawa-Carleton

COUNTIES: Dufferin
Essex
Leeds & Grenville

CITIES: Toronto
Oshawa
Burlington
Stoney Creek
Port Colborne
Sudbury
Sault Ste. Marie
Thunder Bay
St. Thomas
Owen Sound
Belleville
Sarnia
London
Woodstock
Pembroke

TOWNS: Caledon
Richmond Hill
Tilbury
Colbourg
Bradford West Gwillimbury
Fergus
Kenora
Sturgeon Falls

VILLAGES: Lucknow
Blyth
L'Orignal
Thornloe

RESERVES: Akwesasne
Sucker Creek

TOWNSHIPS: Woolwich
Georgian Bay
Onondaga
Pittsburg
Snowdon
Lanark
Amherst Island
Wallace
Harvey
Hallowell
Winchester
Ops
Opasatika
Rutherford and George
Joly
Morson

Municipalities noted by ** could not be analyzed due to lack of road data.

Two reserves were included in the sample municipalities but are not within the scope of disentanglement.

ASSUMPTIONS USED IN FISCAL ANALYSIS OF OPTIONS 11a, 11b & 11c

Assumptions common to all options

- 1) Existing needs formula will apply.
- 2) Ferry Service funding not considered.
- 3) Overspending by municipalities not accounted for.
- 4) All figures based on 1992 allocations to municipalities.
- 5) Ministry of Northern Development and Mines funding not accounted for.
- 6) No change in supplementary funding levels. Supplementary funding may be available for projects not on arterial system.
- 7) Rural grid in Townships assumed to be an average of 69% of total Township road system based on sample.
- 8) All rural grid roads assumed to be two lane.
- 9) All roads classed as rural in the large lower tier needs studies are part of the rural grid system.
- 10) Discontinuous grid roads assumed to be part of overall arterial/grid system.
- 11) Seasonal roads included in local roads category.
- 12) All upper tier roads classed as arterial roads.
- 13) A total of 10% of collector roads were assumed to be arterial roads rather than collectors.
- 14) Allocations split into road class by two lane equivalent weight.
- 15) Analysis were based on current subsidy rates.

The following items were assumed to be part all options but were not reflected in the impact analysis.

- 1) Urban rebates will be eliminated.
- 2) Suburban roads commissions will be eliminated.

Additional assumptions related to option 11a, shared interest in arterial roads.

The following items were assumed to be part all options but were not reflected in the impact analysis.

- 1) There will be no connecting links in municipalities with populations over 30,000.
- 2) Subsidy rates for all municipalities will vary from 50-75% depending on the municipalities ability to pay.

Additional assumptions related to option 11b, full provincial assumption of arterial roads.

- 1) All expenditures for Township sidewalks on county roads and Kings Highways, Development Roads, connecting links and supplementary funding will be at 100% provincial cost.

Additional assumptions related to option 11c, variable provincial subsidy according to road function.

The following items were assumed to be part all options but were not reflected in the impact analysis.

- 1) There will be no connecting links in municipalities with populations over 30,000.
- 2) Subsidy rates for all municipalities will vary from 50-75% depending on the municipalities ability to pay.

**TABLE 1: STATUS QUO (1992 Base allocations only)
FOR SAMPLE MUNICIPALITIES AND PROVINCE**

Municipality SAMPLE MUNICIPALITIES	% Two-lane equivalent road system supported	Supported expenditure	Municipal contribution	MTO contribution	Subsidy rate, %
Haldimand-Norfolk, Region	100.0%	9,442.6	2,719.8	6,722.8	71.2%
Ottawa - Carleton	100.0%	50,214.4	25,107.2	25,107.2	50.0%
Dufferin, County	100.0%	2,269.6	1,124.0	1,145.6	50.5%
Essex County	100.0%	7,169.7	3,584.8	3,584.9	50.0%
Leeds & Grenville	100.0%	6,578.2	1,813.2	4,765.0	72.4%
Toronto, City	100.0%	26,110.6	13,055.3	13,055.3	50.0%
Burlington	100.0%	10,677.0	5,338.5	5,338.5	50.0%
Stoney Creek	100.0%	1,872.8	936.4	936.4	50.0%
Port Colborne	100.0%	2,080.6	1,040.3	1,040.3	50.0%
Sudbury	100.0%	7,162.8	3,581.4	3,581.4	50.0%
Sault Ste. Marie	100.0%	7,938.4	3,969.2	3,969.2	50.0%
Thunder Bay	100.0%	13,812.2	6,906.1	6,906.1	50.0%
St. Thomas	100.0%	2,533.0	1,266.5	1,266.5	50.0%
Owen Sound	100.0%	1,938.0	969.0	969.0	50.0%
Belleville	100.0%	4,911.6	2,455.8	2,455.8	50.0%
Sarnia	100.0%	4,144.2	2,072.1	2,072.1	50.0%
London	100.0%	19,225.2	9,612.6	9,612.6	50.0%
Woodstock	100.0%	2,199.0	1,099.5	1,099.5	50.0%
Pembroke	100.0%	1,575.4	787.7	787.7	50.0%
Caledon, Town	100.0%	4,335.4	2,167.7	2,167.7	50.0%
Richmond Hill	100.0%	3,960.8	1,980.4	1,980.4	50.0%
Tilbury	100.0%	286.8	143.4	143.4	50.0%
Colbourg	100.0%	1,250.6	625.3	625.3	50.0%
Bradford W/G	100.0%	1,299.4	649.7	649.7	50.0%
Fergus	100.0%	543.6	271.8	271.8	50.0%
Sturgeon Falls	100.0%	576.8	288.4	288.4	50.0%
Lucknow, Village	100.0%	165.2	82.6	82.6	50.0%
Blyth	100.0%	79.4	39.7	39.7	50.0%
L'Orignal	100.0%	86.6	43.3	43.3	50.0%
Thornloe	100.0%	24.2	12.1	12.1	50.0%
Akwesasne, Reserve	100.0%	101.2	50.6	50.6	50.0%
Sucker Creek	100.0%	11.6	5.8	5.8	50.0%
Woolwich, Township	100.0%	1,595.0	797.5	797.5	50.0%
Georgian Bay	100.0%	272.5	136.2	136.3	50.0%
Onondaga	100.0%	224.3	105.5	118.8	53.0%
Pittsburg	100.0%	561.2	280.6	280.6	50.0%
Snowdon	100.0%	119.7	59.8	59.9	50.0%
Lanark	100.0%	440.5	84.1	356.4	80.9%
Amherst Island	100.0%	138.8	53.2	85.6	61.7%
Wallace	100.0%	382.1	165.3	216.8	56.7%
Harvey	100.0%	394.2	197.1	197.1	50.0%
Hallowell	100.0%	309.7	154.8	154.9	50.0%
Winchester	100.0%	453.6	192.7	260.9	57.5%
Ops	100.0%	518.9	259.4	259.5	50.0%
Joly	100.0%	92.5	34.3	58.2	62.9%
PROVINCIAL SUMMARY	100.0%	1,173,274.8	545,226.0	628,048.8	53.5%

**TABLE 2: OPTION 11a) SHARED INTEREST IN ARTERIAL ROADS
FOR SAMPLE MUNICIPALITIES AND PROVINCE**

(Impacts Base allocations only)									
Municipality	% Two-lane equivalent road system supported	Supported expenditures	Municipal contribution	MTO contribution	Subsidy rate, %	Change in MTO subsidy from existing	% subsidy of existing		
SAMPLE MUNICIPALITIES									
Haldimand – Norfolk, Region	100.0%	9,442.6	2,719.8	6,722.8	71.2%	0.0	100.0%		
Ottawa – Carleton	100.0%	50,214.4	25,107.2	25,107.2	50.0%	0.0	100.0%		
Dufferin, County	100.0%	2,269.6	1,124.0	1,145.6	50.5%	0.0	100.0%		
Essex County	100.0%	7,169.7	3,584.8	3,584.9	50.0%	0.0	100.0%		
Leeds & Grenville	100.0%	6,578.2	1,813.2	4,765.0	72.4%	0.0	100.0%		
Toronto, City	26.8%	6,986.7	3,493.3	3,493.3	50.0%	9,562.0	26.8%		
Burlington	31.8%	3,399.0	1,699.5	1,699.5	50.0%	3,639.0	31.8%		
Stoney Creek	25.1%	473.4	236.7	236.7	50.0%	699.7	25.3%		
Port Colborne	40.2%	836.9	418.5	418.5	50.0%	621.8	40.2%		
Sudbury	22.4%	1,607.9	803.9	803.9	50.0%	2,777.5	22.4%		
Sault Ste. Marie	23.9%	2,146.9	1,073.5	1,073.5	50.0%	2,895.7	27.0%		
Thunder Bay	42.0%	5,796.1	2,898.1	2,898.1	50.0%	4,008.0	42.0%		
St. Thomas	17.5%	443.1	221.6	221.6	50.0%	1,044.9	17.5%		
Owen Sound	27.9%	586.9	293.5	293.5	50.0%	675.5	30.3%		
Belleville	17.4%	979.9	490.0	490.0	50.0%	1,965.8	20.0%		
Sarnia	9.7%	421.1	210.5	210.5	50.0%	1,861.6	10.2%		
London	25.0%	4,986.4	2,493.2	2,493.2	50.0%	7,119.4	25.9%		
Woodstock	2.9%	68.9	34.5	34.5	50.0%	1,065.0	3.1%		
Pembroke	15.8%	286.4	143.2	143.2	50.0%	644.5	18.2%		
Caledon, Town	76.2%	3,324.4	1,662.2	1,662.2	50.0%	505.5	76.7%		
Richmond Hill	4.0%	160.1	80.0	80.0	50.0%	1,900.4	4.0%		
Tilbury	12.6%	39.7	19.8	19.8	50.0%	123.6	13.8%		
Colbourg	11.4%	165.0	82.5	82.5	50.0%	542.8	13.2%		
Bradford WG	67.7%	910.4	455.2	455.2	50.0%	194.5	70.1%		
Fergus	1.7%	9.8	4.9	4.9	50.0%	266.9	1.8%		
Sturgeon Falls	0.0%	0.0	0.0	0.0	0.0%	288.4	0.0%		
Lucknow, Village	0.0%	0.0	0.0	0.0	0.0%	82.6	0.0%		
Blyth	0.0%	0.0	0.0	0.0	0.0%	39.7	0.0%		
L'Orignal	0.0%	0.0	0.0	0.0	0.0%	43.3	0.0%		
Thornloe	0.0%	0.0	0.0	0.0	0.0%	12.1	0.0%		
Akwesasne, Reserve	0.0%	0.0	0.0	0.0	0.0%	50.6	0.0%		
Sucker Creek	0.0%	0.0	0.0	0.0	0.0%	5.8	0.0%		
Woolwich, Township	69.2%	1,104.2	552.1	552.1	50.0%	245.4	69.2%		
Georgian Bay	36.1%	98.3	49.1	49.2	50.0%	87.1	36.1%		
Oronodaga	66.5%	149.1	70.1	79.0	53.0%	39.8	66.5%		
Pittsburg	61.0%	342.1	171.1	171.1	50.0%	109.5	61.0%		
Snowdon	62.6%	74.9	37.4	37.5	50.0%	22.4	62.6%		
Lanark	54.8%	241.3	46.1	195.2	80.9%	161.2	54.8%		
Amherst Island	89.6%	124.4	47.7	76.7	61.7%	8.9	89.6%		
Wallace	87.7%	335.3	145.0	190.2	56.7%	26.6	87.7%		
Harvey	73.7%	290.3	145.2	145.2	50.0%	51.9	73.7%		
Hallowell	51.8%	160.3	80.1	80.2	50.0%	74.7	51.8%		
Winchester	82.4%	373.8	158.8	215.0	57.5%	45.9	82.4%		
Ops	78.6%	408.0	204.0	204.0	50.0%	55.5	78.6%		
Joly	88.5%	81.9	30.4	51.5	62.9%	6.7	88.5%		
PROVINCIAL SUMMARY	64.3%	761,420.5	353,835.5	407,585.0	53.5%	220,463.8	64.9%		

**TABLE 3: OPTION 11b) FULL PROVINCIAL ASSUMPTION OF ARTERIAL ROADS
FOR SAMPLE MUNICIPALITIES AND PROVINCE**

(Impacts all programs, basic, supplementary, connecting link, development road and township sidewalks)

Municipality	% Two-lane equivalent road system assumed by province	% Two-lane equivalent road system retained by municipality	MTO Cost	Municipal Cost	Additional MTO cost from existing ((0,000.0) = reduced MTO cost)	Reduction in municipal cost from existing ((0,000.0) = added municipal cost)
SAMPLE MUNICIPALITIES						
Haldimand–Norfolk, Region	100.0%	0.0%	9,442.6	0.0	2,719.8	2,719.8
Ottawa–Carleton	100.0%	0.0%	51,739.4	0.0	25,813.4	25,813.4
Dufferin, County	100.0%	0.0%	2,269.6	0.0	1,124.0	1,124.0
Essex County	100.0%	0.0%	7,199.7	0.0	3,590.8	3,590.8
Leeds & Grenville	100.0%	0.0%	7,316.2	0.0	1,863.2	1,863.2
Toronto, City	26.8%	73.2%	6,986.7	19,123.9	(6,068.6)	(6,068.6)
Burlington	31.8%	68.2%	3,799.0	7,278.0	(1,739.5)	(1,739.5)
Stoney Creek	25.1%	74.9%	773.4	1,399.4	(313.0)	(313.0)
Port Colborne	40.2%	59.8%	836.9	1,243.7	(203.4)	(203.4)
Sudbury	22.4%	77.6%	1,607.9	5,554.9	(1,973.5)	(1,973.5)
Sault Ste. Marie	23.9%	76.1%	5,750.9	5,791.5	(921.3)	(921.3)
Thunder Bay	42.0%	58.0%	6,146.1	8,016.1	(935.0)	(935.0)
St. Thomas	17.5%	82.5%	493.1	2,089.9	(798.4)	(798.4)
Owen Sound	27.9%	72.1%	1,178.9	1,351.1	(171.1)	(171.1)
Belleville	17.4%	82.6%	1,013.5	3,931.7	(1,459.1)	(1,459.1)
Sarnia	9.7%	90.3%	1,200.4	3,723.1	(1,414.7)	(1,414.7)
London	25.0%	75.0%	8,111.1	14,238.8	(3,730.5)	(3,730.5)
Woodstock	2.9%	97.1%	768.9	2,130.1	(855.6)	(855.6)
Pembroke	15.8%	84.2%	886.4	1,289.0	(351.3)	(351.3)
Caledon, Town	76.2%	23.8%	3,420.0	1,011.0	1,166.3	1,166.3
Richmond Hill	4.0%	96.0%	304.5	3,800.7	(1,765.9)	(1,765.9)
Tilbury	12.6%	87.4%	78.5	247.1	(86.8)	(86.8)
Colbourg	11.4%	88.6%	399.5	1,085.6	(384.8)	(384.8)
Bradford WG	67.7%	32.3%	2,943.2	389.0	597.2	597.2
Fergus	1.7%	98.3%	234.4	533.8	(212.4)	(212.4)
Sturgeon Falls	0.0%	100.0%	16.2	576.8	(286.8)	(286.8)
Lucknow, Village	0.0%	100.0%	3.6	165.2	(82.2)	(82.2)
Blyth	0.0%	100.0%	35.0	79.4	(22.2)	(22.2)
L'Orignal	0.0%	100.0%	70.0	86.6	(8.3)	(8.3)
Thornloe	0.0%	100.0%	0.0	24.2	(12.1)	(12.1)
Akwesasne, Reserve	0.0%	100.0%	0.0	101.2	(50.6)	(50.6)
Sucker Creek	0.0%	100.0%	0.0	11.6	(5.8)	(5.8)
Woolwich, Township	59.2%	30.8%	1,104.2	490.8	306.7	306.7
Georgian Bay	36.1%	63.9%	98.3	174.2	(38.0)	(38.0)
Onondaga	66.5%	33.5%	364.1	75.2	73.1	73.1
Pittsburg	61.0%	39.0%	370.1	219.1	75.5	75.5
Snowdon	62.6%	37.4%	114.9	44.8	30.0	30.0
Lanak	54.8%	45.2%	453.3	199.2	(72.7)	(72.7)
Amherst Island	89.6%	10.4%	294.4	14.4	47.2	47.2
Wallace	87.7%	12.3%	335.3	46.8	118.5	118.5
Harvey	73.7%	26.3%	440.3	103.9	168.2	168.2
Hallowell	51.8%	48.2%	241.3	149.4	45.9	45.9
Winchester	82.4%	17.6%	538.8	79.8	154.1	154.1
Ops	78.6%	21.4%	643.0	110.9	209.1	209.1
July	88.5%	11.5%	117.9	10.6	23.7	23.7
PROVINCIAL SUMMARY	64.3%	35.7%	976,096.1	411,854.3	203,350.1	203,350.1

**TABLE 4: OPTION 11c) VARIABLE PROVINCIAL SUBSIDY ACCORDING TO ROAD FUNCTION
FOR SAMPLE MUNICIPALITIES AND PROVINCE**

Municipality	(Impacts basic allocations only)						MTO subsidy	Subsidy rate, %	Change in MTO subsidy from existing	% subsidy of existing
	% Two – lane equivalent road system supported	Supported expenditure	Municipal contribution	MTO subsidy	Subsidy rate, %	Change in MTO subsidy from existing				
SAMPLE MUNICIPALITIES										
Haldimand – Norfolk, Region	100.0%	9,442.6	2,719.8	6,722.8	71.2%	0.0	100.0%			
Ottawa – Carleton	100.0%	50,214.4	25,107.2	25,107.2	50.0%	0.0	100.0%			
Dufferin, County	100.0%	2,269.6	1,124.0	1,145.6	50.5%	0.0	100.0%			
Essex County	100.0%	7,169.7	3,584.8	3,584.9	50.0%	0.0	100.0%			
Leeds & Grenville	100.0%	6,578.2	1,813.2	4,765.0	72.4%	0.0	100.0%			
Toronto, City	100.0%	26,110.6	17,163.9	8,946.7	34.3%	4,108.6	68.5%			
Burlington	100.0%	10,677.0	6,903.0	3,774.0	35.3%	1,584.5	70.7%			
Stoney Creek	100.0%	1,872.8	1,249.1	623.7	33.3%	312.7	66.6%			
Port Colborne	100.0%	2,080.6	1,339.7	740.9	35.6%	299.4	71.2%			
Sudbury	100.0%	7,162.8	4,768.1	2,394.7	33.4%	1,186.7	66.9%			
Sault Ste. Marie	100.0%	7,938.4	5,071.7	2,866.7	36.1%	1,102.5	72.2%			
Thunder Bay	100.0%	13,812.2	8,661.8	5,150.4	37.3%	1,755.7	74.6%			
St. Thomas	100.0%	2,533.0	1,728.2	804.8	31.8%	461.7	63.5%			
Owen Sound	100.0%	1,938.0	1,252.7	685.3	35.4%	283.7	70.7%			
Belleville	100.0%	4,911.6	3,360.8	1,550.8	31.6%	905.0	63.1%			
Sarnia	100.0%	4,144.2	2,882.9	1,261.3	30.4%	810.8	60.9%			
London	100.0%	19,225.2	12,545.9	6,679.3	34.7%	2,933.3	69.5%			
Woodstock	100.0%	2,199.0	1,534.7	664.3	30.2%	435.2	60.4%			
Pembroke	100.0%	1,575.4	1,065.8	509.6	32.3%	278.1	64.7%			
Caladon, Town	100.0%	4,335.4	2,411.9	1,923.5	44.4%	244.2	88.7%			
Richmond Hill	100.0%	3,960.8	2,830.9	1,129.9	28.5%	850.5	57.1%			
Tilbury	100.0%	286.8	201.1	85.7	29.9%	57.7	59.8%			
Colbourg	100.0%	1,250.6	868.1	382.5	30.6%	242.8	61.2%			
Bradford WG	100.0%	1,299.4	736.4	563.0	43.3%	86.7	86.7%			
Fergus	100.0%	543.6	395.0	148.6	27.3%	123.2	54.7%			
Sturgeon Falls	100.0%	576.8	432.6	144.2	25.0%	144.2	50.0%			
Lucknow, Village	100.0%	165.2	123.9	41.3	25.0%	41.3	50.0%			
Blyth	100.0%	79.4	59.6	19.9	25.0%	19.9	50.0%			
L'Orignal	100.0%	86.6	65.0	21.7	25.0%	21.7	50.0%			
Thornloe	100.0%	24.2	18.2	6.1	25.0%	6.1	50.0%			
Akwesasne, Reserve	100.0%	101.2	75.9	25.3	25.0%	25.3	50.0%			
Sucker Creek	100.0%	11.6	8.7	2.9	25.0%	2.9	50.0%			
Woolwich, Township	100.0%	1,595.0	917.7	677.3	42.5%	120.2	84.9%			
Georgian Bay	100.0%	272.5	179.8	92.7	34.0%	43.6	68.0%			
Onondaga	100.0%	224.3	126.5	97.8	43.6%	21.0	82.3%			
Pittsburg	100.0%	561.2	335.4	225.8	40.2%	54.8	80.5%			
Snowdon	100.0%	119.7	71.0	48.7	40.7%	11.2	81.3%			
Lanark	100.0%	440.5	195.5	245.0	55.6%	111.4	68.7%			
Amherst Island	100.0%	138.8	58.5	80.3	57.9%	5.3	93.8%			
Wallace	100.0%	382.1	180.2	201.9	52.8%	14.9	93.1%			
Harvey	100.0%	223.1	223.1	171.1	43.4%	26.0	86.8%			
Hallowell	100.0%	309.7	192.2	117.5	37.9%	37.4	75.9%			
Winchester	100.0%	453.6	218.7	234.9	51.8%	26.0	90.0%			
Ops	100.0%	518.9	287.1	231.8	44.7%	27.7	89.3%			
July	100.0%	92.5	38.3	54.2	58.6%	4.0	93.1%			
PROVINCIAL SUMMARY	100.0%	1,173,274.8	655,814.7	517,460.1	44.1%	110,588.7	82.4%			

SUPPORTING DATA
FOR SAMPLE MUNICIPALITIES AND PROVINCE

ROAD CLASSIFICATIONS AND EQUIVALENT KILOMETER DATA FOR SAMPLE MUNICIPALITIES AND PROVINCE

Municipality SAMPLE MUNICIPALITIES	Two lane equivalent kms				Collector	Local	Total
	Highway connecting link	Arterial	Rural grid	Arterial			
Haldimand - Norfolk, Region	0	797.5	0.0	0	0	0	797.5
Ottawa - Carleton	0	1,310.8	0.0	0	0	0	1,310.8
Dufferin, County	0	233.4	0.0	0	0	0	233.4
Essex County	0	563.8	0.0	0	0	0	563.8
Leeds & Grenville	0	638.4	0.0	0	0	0	638.4
Toronto, City	0	269.8	0.0	173.1	565.4	1,008.3	1,008.3
Burlington	0	131.1	70.0	100.6	330	631.7	631.7
Stoney Creek	2	0	57.0	29.8	138.7	227.5	227.5
Port Colborne	0	7.5	75.0	7.6	115	205.1	205.1
Sudbury	0	0	80.7	67.6	211.2	359.5	359.5
Sault Ste. Marie	81.1	44.6	119.4	175.9	266.5	687.5	687.5
Thunder Bay	0	137.8	241.3	108.3	416	903.4	903.4
St. Thomas	0	24.3	0.0	22.2	92.4	138.9	138.9
Owen Sound	10.4	25.8	11.3	62.6	132.9	189.2	189.2
Belleville	23.8	33	0.0	17.5	114.9	189.2	189.2
Sarnia	16.9	39.8	0.0	75.6	276.3	408.6	408.6
London	44.8	291.1	7.9	250.4	603.4	1,197.6	1,197.6
Woodstock	10.1	4.6	0.0	43.3	98.9	156.9	156.9
Pembroke	12.7	15.2	0.0	15.6	52.8	96.3	96.3
Caledon, Town	3.9	0	500.8	8.6	143.7	657.0	657.0
Richmond Hill	3.2	0	11.3	46.9	221.4	282.8	282.8
Tilbury	2.4	2.4	1.1	19.4	27.7	27.7	27.7
Colbourg	11.4	7.2	2.5	11.2	52.6	84.9	84.9
Bradford WG	7.4	0	146.3	11.3	51.2	216.2	216.2
Fergus	3	0	0.7	4.9	33.3	41.9	41.9
Sturgeon Falls	4.8	0	0.0	0	32.1	36.9	36.9
Lucknow, Village	1.2	0	0.0	0	10.9	12.1	12.1
Blyth	0	0	0.0	0	8.7	8.7	8.7
L'Orignal	0	0	0.0	0	10.4	10.4	10.4
Thornloe	0	0	0.0	0	6.7	6.7	6.7
Akwesasne, Reserve	0	0	0.0	0	20.5	20.5	20.5
Sucker Creek	0	0	0.0	0	5.4	5.4	5.4
Woolwich, Township	0	0	202.0	3.1	86.7	291.8	291.8
Georgian Bay	0	0	44.4	0	78.6	123.0	123.0
Onondaga	0	0	56.0	0	28.3	84.3	84.3
Pittsburg	0	0	74.2	0	47.5	121.7	121.7
Snowdon	0	0	35.5	0	21.2	56.7	56.7
Lanark	0	0	103.5	0	85.5	189.0	189.0
Amherst Island	0	0	56.5	0	6.5	63.0	63.0
Wallace	0	0	126.6	0	17.7	144.3	144.3
Harvey	0	0	127.4	0	45.6	173.0	173.0
Hallowell	0	0	58.1	0	54.1	112.2	112.2
Winchester	0	0	138.6	0	29.6	168.2	168.2
Ops	0	0	140.3	0	38.2	178.5	178.5
Joly	0	0	44.4	0	5.7	50.1	50.1
PROVINCIAL SUMMARY	1,267.5	26,318.3	55,736.3	4,965.5	39,418.0	127,705.6	127,705.6
	1.0%	20.6%	43.6%	3.9%	30.9%	100.0%	100.0%

1992 SUPPORTED EXPENDITURES BY PROGRAM FOR SAMPLE MUNICIPALITIES AND PROVINCE

Municipality	Base		Connecting Links		D.R. & Twp SW		Supplementary
	Supported Maintenance	Supported Construction	Total Support	Supported Maintenance	Supported Construction	Supported Construction	
SAMPLE MUNICIPALITIES							
Haldimand – Norfolk, Region	4,317.5	5,125.1	9,442.6	0.0	0.0	0.0	0.0
Ottawa – Carleton	25,666.2	24,548.2	50,214.4	0.0	0.0	0.0	1,525.0
Dufferin, County	1,445.3	824.3	2,269.6	0.0	0.0	0.0	0.0
Essex County	3,737.8	3,431.9	7,169.7	0.0	0.0	0.0	30.0
Leeds & Grenville	3,267.6	3,310.6	6,578.2	0.0	0.0	0.0	738.0
Toronto, City	15,458.0	10,652.6	26,110.6	0.0	0.0	0.0	0.0
Burlington	5,560.2	5,116.8	10,677.0	0.0	0.0	0.0	400.0
Stoney Creek	1,370.0	502.8	1,872.8	0.0	0.0	0.0	300.0
Port Colborne	839.2	1,241.4	2,080.6	0.0	0.0	0.0	0.0
Sudbury	2,844.4	4,318.4	7,162.8	0.0	0.0	0.0	0.0
Sault Ste. Marie	5,029.8	2,908.6	7,938.4	0.0	3,604.0	3,604.0	0.0
Thunder Bay	7,334.2	6,478.0	13,812.2	0.0	0.0	0.0	350.0
St. Thomas	1,010.6	1,522.4	2,533.0	0.0	0.0	0.0	50.0
Owen Sound	1,250.0	688.0	1,938.0	0.0	340.0	340.0	252.0
Belleville	1,688.2	3,223.4	4,911.6	0.0	0.0	0.0	33.6
Sarnia	2,831.0	1,313.2	4,144.2	0.0	613.3	613.3	166.0
London	11,627.6	7,597.6	19,225.2	0.0	2,666.7	2,666.7	458.0
Woodstock	1,443.4	755.6	2,199.0	0.0	700.0	700.0	0.0
Pembroke	953.4	622.0	1,575.4	0.0	600.0	600.0	0.0
Caledon, Town	2,508.6	1,826.8	4,335.4	77.8	17.8	95.6	0.0
Richmond Hill	1,890.8	2,070.0	3,960.8	44.4	0.0	44.4	100.0
Tilbury	142.4	144.4	286.8	6.2	0.0	6.2	32.6
Colbourg	513.0	737.6	1,250.6	104.4	0.0	104.4	130.0
Bradford WG	780.0	519.4	1,299.4	16.4	1,683.3	1,699.8	333.0
Fergus	310.0	233.6	543.6	0.0	156.7	156.7	68.0
Sturgeon Falls	321.4	255.4	576.8	16.2	0.0	16.2	0.0
Lucknow, Village	68.4	96.8	165.2	3.6	0.0	3.6	0.0
Blyth	44.6	34.8	79.4	0.0	0.0	0.0	35.0
L'Orignal	54.4	32.2	86.6	0.0	0.0	0.0	70.0
Thornloe	22.2	2.0	24.2	0.0	0.0	0.0	0.0
Akwasasne, Reserve	67.2	34.0	101.2	0.0	0.0	0.0	0.0
Sucker Creek	7.6	4.0	11.6	0.0	0.0	0.0	0.0
Woolwich, Township	941.0	654.0	1,595.0	0.0	0.0	0.0	0.0
Georgian Bay	214.2	58.3	272.5	0.0	0.0	0.0	0.0
Onondaga	160.9	63.4	224.3	0.0	0.0	0.0	215.0
Pittsburg	421.4	139.8	561.2	0.0	0.0	0.0	28.0
Snowdon	88.5	31.2	119.7	0.0	0.0	0.0	40.0
Lanark	329.9	110.6	440.5	0.0	0.0	0.0	212.0
Amherst Island	101.6	37.2	138.8	0.0	0.0	0.0	170.0
Wallace	270.5	111.6	382.1	0.0	0.0	0.0	0.0
Harvey	295.6	98.6	394.2	0.0	0.0	0.0	150.0
Hallowell	228.2	81.5	309.7	0.0	0.0	0.0	81.0
Winchester	325.9	127.7	453.6	0.0	0.0	0.0	165.0
Ops	387.2	131.7	518.9	0.0	0.0	0.0	235.0
Joly	70.4	22.1	92.5	0.0	0.0	0.0	36.0
PROVINCIAL SUMMARY	657,900.0	515,374.8	1,173,274.8	4,291.7	41,145.6	45,437.3	167,158.3

1992 ALLOCATED SUBSIDIES BY PROGRAM FOR SAMPLE MUNICIPALITIES AND PROVINCE

Municipality	Base		Connecting Links		Total Allocation	D.R. & Twp SW		Supplementary Allocation Construction
	Allocation Maintenance	Allocation Construction	Allocation Maintenance	Allocation Construction		Allocation Construction		
SAMPLE MUNICIPALITIES								
Haldimand – Norfolk, Region	2,818.5	3,904.3	6,722.8	0.0	0.0	0.0	0.0	0.0
Ottawa – Carleton	11,973.9	13,133.3	25,107.2	0.0	0.0	0.0	0.0	818.8
Dufferin, County	720.3	425.3	1,145.6	0.0	0.0	0.0	0.0	0.0
Essex County	1,759.9	1,825.0	3,584.9	0.0	0.0	0.0	0.0	24.0
Leeds & Grenville	1,825.0	2,940.0	4,765.0	0.0	0.0	0.0	0.0	688.0
Toronto, City	7,729.0	5,326.3	13,055.3	0.0	0.0	0.0	0.0	0.0
Burlington	2,780.1	2,558.4	5,338.5	0.0	0.0	0.0	0.0	200.0
Stoney Creek	685.0	251.4	936.4	0.0	0.0	0.0	0.0	150.0
Port Colborne	419.6	620.7	1,040.3	0.0	0.0	0.0	0.0	0.0
Sudbury	1,422.2	2,159.2	3,581.4	0.0	0.0	0.0	0.0	0.0
Sault Ste. Marie	2,514.9	1,454.3	3,969.2	0.0	2,703.0	0.0	0.0	0.0
Thunder Bay	3,667.1	3,239.0	6,906.1	0.0	0.0	0.0	0.0	0.0
St. Thomas	505.3	761.2	1,266.5	0.0	0.0	0.0	0.0	175.0
Owen Sound	625.0	344.0	969.0	0.0	0.0	0.0	0.0	25.0
Belleville	844.1	1,611.7	2,455.8	0.0	255.0	0.0	0.0	126.0
Sarnia	1,415.5	656.6	2,072.1	0.0	460.0	0.0	0.0	16.8
London	5,813.8	3,798.8	9,612.6	0.0	2,000.0	0.0	0.0	83.0
Woodstock	721.7	377.8	1,099.5	0.0	525.0	0.0	0.0	229.0
Pembroke	476.7	311.0	787.7	0.0	450.0	0.0	0.0	0.0
Caledon, Town	1,254.3	913.4	2,167.7	70.0	16.0	0.0	0.0	0.0
Richmond Hill	945.4	1,035.0	1,980.4	40.0	0.0	40.0	0.0	50.0
Tilbury	71.2	72.2	143.4	5.6	0.0	5.6	0.0	16.3
Colbourg	256.5	368.8	625.3	94.0	0.0	94.0	0.0	65.0
Bradford WG	390.0	259.7	649.7	14.8	1,515.0	1,529.8	0.0	166.5
Fergus	155.0	116.8	271.8	0.0	141.0	141.0	0.0	34.0
Sturgeon Falls	160.7	127.7	288.4	14.6	0.0	14.6	0.0	0.0
Lucknow, Village	34.2	48.4	82.6	3.2	0.0	3.2	0.0	0.0
Blyth	22.3	17.4	39.7	0.0	0.0	0.0	0.0	17.5
L'Original	27.2	16.1	43.3	0.0	0.0	0.0	0.0	35.0
Thornloe	11.1	1.0	12.1	0.0	0.0	0.0	0.0	0.0
Akwesasne, Reserve	33.6	17.0	50.6	0.0	0.0	0.0	0.0	0.0
Sucker Creek	3.8	2.0	5.8	0.0	0.0	0.0	0.0	0.0
Woolwich, Township	470.5	327.0	797.5	0.0	0.0	0.0	0.0	0.0
Georgian Bay	107.1	29.2	136.3	0.0	0.0	0.0	0.0	0.0
Onondaga	85.2	33.6	118.8	0.0	0.0	0.0	0.0	172.2
Pittsburg	210.7	69.9	280.6	0.0	0.0	0.0	0.0	14.0
Snowdon	44.3	15.6	59.9	0.0	0.0	0.0	0.0	25.0
Lanark	266.9	89.5	356.4	0.0	0.0	0.0	0.0	169.6
Amherst Island	62.7	22.9	85.6	0.0	0.0	0.0	0.0	161.6
Wallace	153.5	63.3	216.8	0.0	0.0	0.0	0.0	0.0
Harvey	147.8	49.3	197.1	0.0	0.0	0.0	0.0	75.0
Hallowell	114.1	40.8	154.9	0.0	0.0	0.0	0.0	40.5
Winchester	187.4	73.5	260.9	0.0	0.0	0.0	0.0	123.8
Ops	193.6	65.9	259.5	0.0	0.0	0.0	0.0	174.4
July	44.3	13.9	58.2	0.0	0.0	0.0	0.0	36.0
PROVINCIAL SUMMARY	344,686.1	283,362.7	628,048.8	3,862.5	37,031.0	40,893.5	2,551.3	101,252.4

APPENDIX 3

DOCUMENTED POSITIONS RELATING TO ROADS AND DISENTANGLEMENT

- + ONTARIO GOOD ROADS ASSOCIATION**
- + MUNICIPAL ENGINEERS ASSOCIATION**



ONTARIO GOOD ROADS ASSOCIATION

530 OTTO ROAD, UNIT 2
MISSISSAUGA, ONTARIO
L5T 2L5
TELEPHONE 416-795-2555
FAX 416-795-2660

FAXED MEMO *****

TO: Bob Oddson and Jeff Seaton, Co-Chairs, Roads Expert Panel
Rudi Wycliffe, Senior Policy Advisor

FROM: Sheila Richardson, Executive Director

DATE: October 19, 1992

RE: OGRA Position on Disentanglement

The OGRA Board of Directors met recently to review the alternatives that will go forward in the final report of the Roads Expert Panel. The Board wanted to ensure that the concerns and comments that were evident throughout OGRA's municipal consultation meetings were adequately addressed. During our discussions of the options the following points emerged as those on which we are unanimous and which, in the Board's opinion, reflect the current municipal position on the issues surrounding the disentanglement of roads.

The Board of Directors approved the following:

1. That OGRA strongly supports Option 13 (enhanced status quo): improve provincial funding models based on needs/resources; simplify provincial role, provide efficiency incentives (see attached).
2. That OGRA work with MTO, MEA, and AORS to define and quantify the enhancements in Option 13. Such a review may lead to adoption of aspects of Option 11C (revised provincial conditional grants for all municipal roads; level of needs/resources based conditional grant to reflect varying provincial interest in roads).

.../2



3. That OGRA strongly oppose Option 11A (continued needs/resources based conditional grants for arterial roads; provincial disentanglement from local and collector functions). This option ignores the principle that the province has an interest in the total road network. It would create two separate road systems, and could lead to funding inequity in growing municipalities.
4. That OGRA, MEA and AORS participate with MTO to evaluate the benefits of implementing the enhancements identified in recommendation 2, and to prepare a plan for their implementation. The implementation of the highway transfer policy should be part of this process, as should measurement of fiscal impact.
5. That AMO be urged to consult with municipalities and to provide them with details and financial information on phase 1 of disentanglement. This will enable municipalities to provide informed input to the process and the development of final recommendations. During the consultation process, municipalities should also be requested to provide input on how AMO should determine that a municipal consensus exists.

Shila Richardson

**OPTION (13) IMPROVE PROVINCIAL FUNDING MODELS BASED ON
NEEDS/RESOURCES; SIMPLIFY PROVINCIAL ROLE,
PROVIDE EFFICIENCY INCENTIVES**

This option is to improve on the status quo, a continued provincial financial role in municipal roads, with improvements such as simplified administration and more incentive for municipalities to operate their roads efficiently. This approach retains many of the main elements of the existing funding models: needs basis, local resource (revenue base) related provincial support, different function roads would be supported based on the provincial interest. Possible improvements would be elimination of suburban roads, urban rebates, reporting simplification. The suggestion is also that the ongoing improvement and evaluation of the way things are done (the Japanese term is apparently "kaisen") is an expected part of the performance of any function.

Status: Many of the panel members support this option: those from the municipal associations and labour representatives. It is their preferred option.

Rationale: Basically, the status quo is seen as the most appropriate relationship: Provincial interest exists in a continuous road system with consistent standards; the province has a role to redistribute resources to smaller and less affluent municipalities; there is an expectation that the province redistribute road related revenues to municipalities for their use in transportation (fuel taxes, licensing fees); there are many positive features of the status quo that should be retained: needs and resource based funding models, valuable data on the road system, standards of road "needs" evaluation, etc. Many panel members strongly endorsed the commitment to continuous improvement to efficiency already adopted by private industry. This option requires the development of targets and processes to bring about the initial changes and improvements.

This option should include some specific references as to areas of improvement or specific improvements to be implemented immediately under "kaisen".



**Municipal
Engineers
Association**

Office of the Secretary
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STURGEON FALLS, ONTARIO
POH 2G0

October 27, 1992

The Ontario Good Roads Association
530 Otto Road, Unit 2
Mississauga, Ontario
L5T 2L5

ATTENTION: Ms. Sheila Richardson

Dear Sheila:

Re: MEA Position Relative to Roads and Disentanglement

At our last Executive meeting of the Municipal Engineers Association, we discussed your association position on the proposed options by the Roads Expert panel on Disentanglement.

The Municipal Engineers Association agrees with your position to strongly support option 13 (the enhanced status quo) which would improve provincial funding models based on needs/resources.

Hopefully the above clarifies our position. We are also sending a copy of this letter to Rudi Wycliffe at the Provincial - Local Relations Secretariate to make our position clear.

Yours truly,

Alan Korell
Secretary, M.E.A.

c.c. Rudi Wycliffe
Ministry of Municipal Affairs
29th Floor, 777 Bay Street
Toronto, Ontario M5G 2E5

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